

NEWS SUMMARY

GENERAL Yard in race move on crime figures

Scotland Yard said victims of more than half of London's robbery and violent theft cases last year claimed the assailant was coloured.

U.S. bans Libyan oil imports President Reagan banned all U.S. imports of Libyan oil and acted to curb U.S. sales of high technology to Libya's oil and gas industry.

Reagan visit move Labour leader Michael Foot will meet Mrs Thatcher today to stress his party's opposition to President Reagan's address.

Norad 'faults' A U.S. Congressional report said the North American nuclear attack warning system Norad had "severe and potentially catastrophic deficiencies."

Trident verdict The Cabinet is expected to approve today a plan to buy Trident 2 nuclear missiles from the U.S. to replace the Polaris system.

UDA men jailed Three UDA men were jailed for life at Belfast Crown Court for murdering Irish independence Party member John Turnley in 1980.

Amnesty post American Janet Johnstone will be next director of Amnesty International's British section.

Hijack trial opens Forty-three alleged mercenaries who went on trial in South Africa denied hijacking an airliner after November's failed coup in the Seychelles.

Nurse suspended A nurse was suspended on full pay pending an investigation of his conduct when she killed seven patients at a Surrey mental hospital in October.

Soldier dies A soldier died after apparently being blown off a ridge in high winds on an endurance test in the Brecon Beacons.

Cave boy rescued A boy aged 12 was rescued from a flooded Derbyshire cave after six hours trapped in an air pocket with water up to his knees.

Caught napping A Naples military court gave 16 soldiers suspended sentences of between 10 and 18 months for sleeping through a Red Brigades raid on a barracks.

FINANCIAL TIMES The Financial Times apologises to readers who did not receive a copy of the paper yesterday. This was due to production difficulties.

BUSINESS Gilts up 0.67; \$5 1/4 rise for gold

GILTS responded enthusiastically to the Budget. The Government Securities Index added 0.67 to 68.75.

EQUITIES were lethargic in contrast. The FT 30-share index lost 1.3 to finish at 539.5.

GOLD rose 55 1/2 finish at \$322.5. Page 30

STERLING rose 85 points to close at \$1.811. It was unchanged at DM 4.27.

DOLLAR fell to DM 2.357 (DM 2.3685), ¥237.25 (¥237.5) and SwFr 1.5575 (SwFr 1.565). Its trade-weighted index fell to 112.9 (113). Page 30

CASH TIN closed £75 down at £6850 a tonne as prices came under renewed pressure follow-

ing heavy selling, reported to be on behalf of the group that previously pushed values to record levels. Page 39

WALL STREET was up 3.24 to 893.05 near the close. Page 38

BANK OF AMERICA filed a suit in a U.S. District Court alleging that De Lorean Motor Company had defaulted on \$10m in loans and seeking seizure of 1,979 cars at distribution centres. Back Page

CURRENT ACCOUNT surplus of £8bn last year was channelled abroad in a sharp increase in private investment overseas. Back Page

GREAT NORTHERN Investment Trust is merging with RIT in a move that will create a new investment group with assets of about £255m. Back Page

POLAND has again fallen badly behind with debt service payments of American issues in the Euromarket, arousing fears that it could be called into default by a private investor. Page 2

HOLMES A COURT raised his bid for ACC, putting a value of more than £60m on Lord Grade's entertainment empire. Page 26

BORG WARNER, the U.S. owned corporation, has scrapped plans for investing more than £25m in a new continuously variable transmission system at its plant in South Wales. Page 5

AMERICAN EXPRESS International Banking Corporation, the wholly owned foreign bank subsidiary of American Express, dismissed 21 executives. Page 27

BRITISH STEEL plants halted by a strike of 3,000 workers at Ravenscroft, near Motherwell, and Gartcosh, should reopen today after agreement on a return to work under the status quo. Page 9

TALBOT'S Coventry plant production was halted and 1,800 workers laid off as a result of a strike by 225 men in the paint shop. Page 9

Now Government starts thinking about next year's Budget

Sharp cuts in public spending planned

BY MAX WILKINSON AND JOHN ELLIOTT

THE GOVERNMENT plans a sharp cut in public spending in real terms in 1983-84 during the run-up to the next election. It became clear yesterday that Tuesday's Budget was not intended to lay the ground for a tax-cutting bonanza next March to sweeten the electorate.

Sir Geoffrey Howe, the Chancellor, and Mrs Thatcher believe Conservative chances of electoral success would be better if they continued to demonstrate financial responsibility. Therefore, they have abandoned all practicable hope of achieving their manifesto pledge to reduce the standard rate of income tax to 25p during this Parliament.

Public spending projections given for the first time in cash terms in the financial statement and Budget report, show that the Treasury and spending ministers are likely to be renewed vigorously this year.

Latest estimates implied in the report shows that efforts to cut public expenditure in real terms next year (1982-83) have failed. It is now scheduled to rise by about 1 per cent, representing about £1bn of extra spending power.

The impact nationalised industries are having on government financial plans is illustrated by the fact that the amount of support they need for the next two years until

early 1984 is now estimated at £5.3bn compared with a broadly comparable estimate of only £3.0bn a year ago. A further £2.1bn is budgeted for 1984-85. These estimates show how the Government has had to abandon its hopes of rapid forcing the industries to cover capital requirements by internal financing.

The figures do not include further support for BL and Rolls-Royce and some specific aid commitments which, compared with an assumption that inflation will be running at an annual 7 per cent during the period.

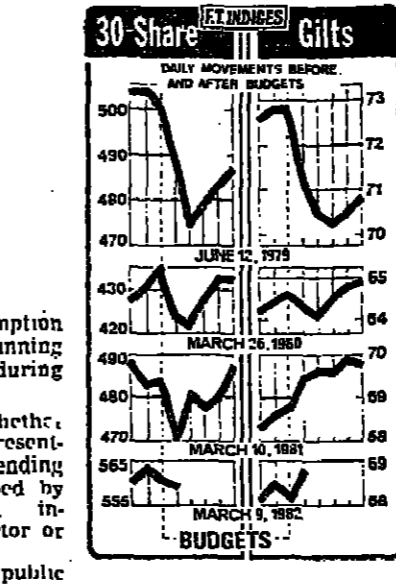
It is not yet clear whether this 2 per cent gap, representing some £2.4bn of spending power, would be absorbed by lower-than-average cost increases in the public sector or by cuts in programmes.

The estimate that public spending will rise in real terms next year compares with a belief that in December the agreed total represented a slight squeeze. The change reflects a lower inflation forecast—which makes the cash total worth more in real terms—and a slight underspend expected for 1981-82.

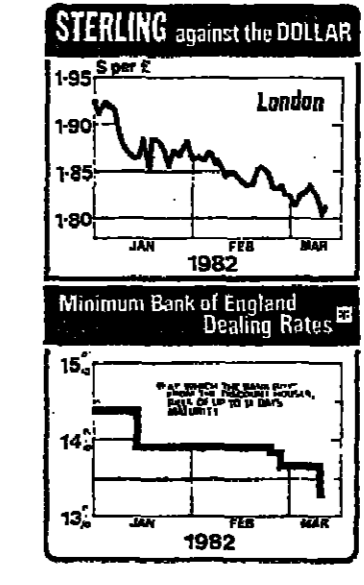
Robia Pauley writes: Although planned spending by central government alone, £24.1bn in 1982-83, is 8 per cent higher than the estimated 1981-82 return but 10 per cent more than the return planned in the last White Paper.

For local authorities, the 1982-83 planned spending level of £28bn is about 6 per cent more than the expected 1981-82 return but 10 per cent more than the return planned in the last White Paper.

Against the basic wishes of Ministers this £2bn budget grew during the year from £1.4bn but is now planned to drop back sharply to £1bn in 1983-84. Total public spending for 1983-84 is scheduled to be £120bn, a cut of 2 per cent in real terms compared with the 1982-83 figure.



30 Share Index and Gilts. DAILY MOVEMENTS BEFORE AND AFTER BUDGETS. JUNE 1979, MARCH 25 1980, MARCH 10 1981, MARCH 9 1982.



STERLING against the DOLLAR. \$ per £. London. Minimum Bank of England Dealing Rates.

AFTER THE BUDGET Economic Viewpoint by Samuel Brittan, Page 21. Reaction, Page 8. Commons debate, Page 10. Further analysis, Page 11. Editorial Comment, Page 20. Mitterand's budget problems, Back Page.

together with other public sector industrial expenditure, has taken up half of the Industry Department's current £2bn budget.

Commons row over tax claims BY PETER RIDDELL, POLITICAL EDITOR. A COMMONS row erupted last night over government claims that individual taxpayers would be better off in the coming financial year.

Mr Leon Brittan, Chief Secretary to the Treasury, said taxpayers of all incomes would pay a smaller percentage of their earnings in income tax in 1982-83 than in the current financial year.

This claim was hotly disputed by Labour's economic spokesman, who accused Mr Brittan of misleading the Commons, but he refused to elaborate.

The row turns on the definitions used. If income tax alone is examined taxpayers will pay slightly less over the coming year even after taking account of pay rises.

Bank cuts market intervention rates BY DAVID MARSH AND WILLIAM HALL. THE Bank of England yesterday signalled that it would like to see interest rates lower following Tuesday's budget by cutting its money market intervention rates by up to 2 of a percentage point.

The Bank's action—which looks nearly certain to be followed by a cut in bank base rates by the end of the week—came as the London gilt edged market gave a tepid reception to Sir Geoffrey Howe's Budget.

The Bank of England smoothed the way for lower rates yesterday by over-supplying the market with funds in the face of a \$300m shortage and reducing its money market intervention rates significantly.

Major clearing banks delayed a reduction in their base rates yesterday partly because short-term money rates remained relatively high and because they wanted to digest both the impact of the budget on sterling and marginally higher euro-dollar rates.

In the inter-bank market, seven-day money, a key influence on base rate decisions, rose by 1 to 1 1/2. Until it falls below 14 per cent the banks will find it hard to justify a base rate cut.

The delay by the banks in reducing their base rates presents a problem for the building societies which meet tomorrow to discuss a cut in the mortgage rate. Banks have become big lenders in the housing mortgage market over the last year and the societies are anxious to see that the banks do not undercut them.

Israelis warn on Sinai deadline

BY DAVID LENNON in Tel Aviv. ISRAEL threatened last night not to complete its final withdrawal from Sinai next month if the differences with Egypt over the demarcation of their international border have not been resolved.

Officials in Jerusalem also warned that Israel will not accept international arbitration of the dispute. With only 40 days before the final Israeli evacuation of eastern Sinai, Egypt and Israel still disagree over where the border should run at 15 different points along the international frontier.

Mr Kamal Hassan Ali, the Egyptian foreign minister, managed only to resolve the dispute over one area when he toured the border with Mr Ariel Sharon, Israel's Defence Minister. Mr Ali will visit Jerusalem next week to try to resolve the other differences.

However, officials here said yesterday Israel was unlikely to accept any compromise Egyptian proposals. They also rejected an Egyptian suggestion that the dispute be brought before international arbitration.

Israel rejects international mediation or arbitration, the officials said, because of the hostile attitude towards Israel of most international institutions. The major sticking point is the demarcation of the border at its southernmost point—Taba, near Eilat, on the Red Sea.

An Israeli holiday village and hotel lie in the area, which Cairo insists is Egyptian territory. Jerusalem claims they are on the Israeli side of the border. In other cases, the differences involve only a few dozen yards.

Israel's hardened stance appears to be in line with the negotiating tactics of the past. Jerusalem makes tough demands to extract the maximum concessions from Cairo. Previously, there have been only hints about possible problems over the withdrawal. These generally have been accompanied by assurances that Israel will comply fully with the peace treaty.

The new threat is the most serious yet made by Israel. Relations between Israel and Egypt have been strained further by delays to a possible visit by President Husni Mubarak to Israel. The Egyptian leader is unwilling to visit Jerusalem—something which evoked anger in the Israeli Government.

Tube Investments £23m loss

BY GARETH GRIFFITHS AND JEREMY STONE

TUBE INVESTMENTS, one of the largest engineering companies, lost £23.1m before tax in calendar 1981, the first annual loss in the company's history. The losses were concentrated in the aluminium and bicycle divisions and the dividend for the year is being halved from 15p a share to 7.5p.

Alcan Aluminium (UK) which has been a wholly-owned subsidiary of the Canadian Alcan company since UK shareholders were bought out in April last year, lost £23.7m before tax in 1981, its worst year.

Mr George Russell, managing director of Alcan (UK), said that the company was expected to break even this year. But if the results of 1981 were repeated in 1982, "it is unlikely that the company could continue in its present form."

Contents

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CHIEF PRICE CHANGES YESTERDAY

Table of price changes for various commodities: Dried Fontenay 842 + 56, EZ Inds 195 + 10, Minorex 304 + 14, Vaal Reef 221 + 11, Treas 3pc 1980 432 - 11, BAT Inds 430 - 10, Barclays Bank 485 - 17, Erection 226 - 9, Erection 814 - 11, GI Northern In Tst 136 - 6, ICI 334 - 10, Imperial Group 87 - 9, Lloyds Bank 485 - 17, Shell Transport 448 - 10, Anglo Amer Crp 438 - 8, Anglo Crp 74 - 14, De Recrs Dtd 232 - 12, Oakbridge 67 - 5, Rand London Crp 78 - 9.

ADVERTISEMENT

ELECTRONICS New Power MOSFETs

Ferranti Electronics Limited, the Oldham based manufacturer of semiconductor, has introduced another member to its comprehensive family of N-channel vertical DMOS Power MOSFET (Metal on Silicon Field Effect Transistor) devices. The new MOSFET, the ZVNO2, is now in full production.

COMPUTERS Computer Aided Instructional System

AVCAT, Audio Visual Computer Aided Tutor, is a new product from Ferranti Computer Systems Ltd. The system is simple to use requiring no knowledge from either students or lesson authors. Highly flexible, the tutor can be used for effective training in virtually any field.

AVCAT is a sophisticated and highly versatile microprocessor-based version of a successful computer aided instructional system developed for specific large scale aviation, engineering and medical training applications.

NEWS REVIEW

BUSINESS More Computers for British Steel

A further five computers from Ferranti Computer Systems Ltd. have been ordered by British Steel Corporation for use at Port Talbot works.

Microprocessor Distributor

Swift-Sasco Ltd. has been appointed by Ferranti Computer Systems Ltd. as the first franchised distributor of the F100 microprocessor product range.

The good news is FERRANTI Selling technology

EUROPEAN NEWS

Poles again fall behind with debt payments

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT
POLAND HAS once again fallen badly behind with debt service payments on securities issued in the Euromarket...

Ireland promised tough budget

BY BRENDAN KEENAN IN DUBLIN
THE IRISH budget, which will be introduced on March 23, will contain, for administrative reasons, many of the central provisions of the one which brought down Dr Garret Fitzgerald's Government in January...

GEN. ARMADA FUELS 'ROYAL BACKING' ARGUMENT

Spanish coup trial tests King's credibility

BY TOM BURNS IN MADRID

GENERAL Alfonso Armada, Marquis of Santa Cruz de Rivadulla, grandson of King Alfonso XIII and for 13 years private secretary to Alfonso's grandson King Juan Carlos, uses every opportunity to emphasise his lifelong monarchist convictions.



General Armada (left) and General Milans del Bosch (right) ... conflicting testimony over the role of King Juan Carlos (centre)

For the lawyers of General Armada's co-defendants in the Madrid court martial of the officers indicated after last year's failed military coup, those convictions are a lifeline and form the cornerstone of their defence strategy that the King, at least tacitly, "backed the coup."

General Armada, 62, is the lynchpin of the royal involvement scenario. According to the prosecution case, and to the testimony over the last week, he claimed he was privy to the royal concern that Spain was heading, in the winter of 1980, towards serious instability.

Gen Armada denies such royal confidences. According to the prosecution and to testimony, Gen Armada shared the alleged royal concern with Gen Jaime Milans del Bosch, his fellow defendant, and together they conspired to create "a power vacuum" that would lead to the formation of a government more aligned with the King's wishes.

examined General Armada on his claim: "My loyalty to the King has been handed down from generation to generation and I will, therefore, honour it come what may."

asked Gen Milans del Bosch, pinpointing an enigmatic phrase in the otherwise forceful royal message: "Since I thought the King was backing it (the coup) I believed something had made him change his mind," the General replied.

The extreme right wing, which has not forgiven King Juan Carlos for turning down the opportunity of installing a monarchist Francoism at the time of the coup last year, have coined a verb to "borborear," from borboren, meaning to switch sides and betray.

It was to these that King Juan Carlos referred in a keynote speech to the Spanish military early in January when he stated: "I have not tried to defend myself against what deserves only profound contempt and I will not climb down to rebut what is false and slanderous."

Nine arrested for shooting of policeman in Warsaw

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities have revealed that nine people have been arrested in connection with the shooting of a policeman on a Warsaw tram last month. The arrests come as a weekly report issued by the military prosecutor's office suggests that weapons and explosives are beginning to find their way into the hands of the population.

MEPs risk row with Canada over seal skins

BY JOHN WYLES IN STRASBOURG

AN ATTEMPT by the European Parliament to ban the import of baby seal skins appears to have struck such a rich seam of popular feeling that a member of the Canadian Government said in Strasbourg yesterday that the EEC's fishing agreement with Canada may be jeopardised.

UK doubts about Parliament's voting ideas

BY JOHN WYLES

FROM SICILY to Skagen, from Thessalonika to Tron, more than 100m EEC electors will be required to go to the polls on a Sunday or Monday in June 1984 to elect by proportional representation 434 members of the European Parliament.

Turkish regime probes Ecevit's activities before coup

BY OUR ANKARA CORRESPONDENT

TURKEY'S military administration has ordered an investigation into the political activities before the coup of Mr Balcet Ecevit, the former Prime Minister, and "executives and members" of his now-defunct Republican People's Party.

Victory for Schmidt on arms sales

By James Buchanan in Bonn

THE GOVERNMENT of Chancellor Helmut Schmidt has gained a victory in its battle to retain a flexible arms export policy, with the agreement this week of the coalition parliamentary parties to the principle of arms sales outside Nato.

Institute warns sanctions aid East bloc hardliners

BY LESLIE COLTITT IN BERLIN

WEST GERMANY'S leading economic institute analysing Comecon economies has warned that Western economic sanctions against Moscow and Warsaw threaten to play into the hands of hard-line Communist functionaries who have long opposed trade with the West.

Trial of Disk union activists grinds to a halt

BY METIN MUNIR IN ANKARA AND DAVID TONGE IN LONDON

IF IT proceeds at its present rate, the trial in Istanbul of the leaders of Disk, the left-wing Confederation of Revolutionary Workers Unions is likely to become the most protracted in Turkish history.

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For business in Eastern Europe Austrian Airlines have excellent connections. Whether you fly First Class or Economy you will find the reliable punctuality of our DC-9 jets and our renowned in-flight service, unbeatable.

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مكتبة لاجل

OVERSEAS NEWS

High-powered Soviet defence team for India

BY K. K. SHARMA IN NEW DELHI

MR. DIMITRI USTINOV, the Soviet Defence Minister, is to lead a high-powered military mission to India next week. The delegation, travelling with Mr. Ustinov, a senior member of the Soviet Politburo, will include the chiefs of the Russian navy and air force and the deputy army chief.

A number of senior Soviet generals are also expected to join the delegation, which begins its visit in the wake of a deterioration in India's relations with Pakistan and reports of intensified fighting between Soviet occupying troops and rebels in Afghanistan.

The Indian Government has not announced the Soviet delegation's visit. New Delhi is likely to want to keep it low key because of the repercussions of the visit of such a high-level Soviet defence mission could have on relations with Pakistan and the U.S.

Air Force commander in Damascus for talks

BY HSIAN HIJAZI IN BEIRUT

A VISIT to Damascus by Marshal Pavel Kutchakov, the commander of the Soviet Air Force and Deputy Defence Minister, has strengthened speculation that Moscow may have grown more responsive to Syria's demands for new military equipment.

Inscrutable approach to future of Hong Kong

BY TONY WALKER IN PEKING

MR JOHN BREMRIDGE, Hong Kong's Financial Secretary, now on a visit to China, chose a quaint metaphor to describe the continuing Chinese commitment to the prosperity of the British colony. Asked at a Press conference in Peking yesterday how long China would maintain its commitment to Hong Kong's prosperity, Mr Brembridge replied: "As long as a piece of string."



Mr Fraser

Fraser's popularity plummets

By Patricia Newby in Canberra

THE POPULARITY of Mr Malcolm Fraser, Australia's Prime Minister, has slumped by 5 per cent on the eve of a crucial Federal by-election in Sydney.

According to the results of a Gallup poll published yesterday, Mr Fraser's personal popularity was 32 per cent while that of Mr Bill Hayden, the Labor opposition leader was 40 per cent.

The by-election, on Saturday, will be a test not only for Australia's two major political groups, but for their leaders. Mr Fraser, already beleaguered by bad economic news and a disgruntled backbench, could be challenged for the party leadership by a former ministerial colleague, Mr Andrew Peacock, if the Liberals lose both the by-election and the Victorian State elections on April 3.

If, on the other hand, Labor fails to win the two elections or does not win a convincingly large swing away from the Government, Mr Hayden may be challenged for the party leadership by Mr Bob Hawke, the popular former president of the Australian Council of Trade Unions.

The Sydney seat of Lowe has been held for 33 years by the Liberals, and has become vacant by the retirement of Sir William McMahon, a former Prime Minister. Sir William's dissatisfaction with the Fraser style of government was a major reason for his retirement.

Although the Liberals expect to lose Lowe, they are hoping to keep the swing to under 5 per cent. Given the normal "protest" vote at by-elections, this would leave Labor unable to claim a major victory. Labor itself is looking to a swing of at least 7 to 10 per cent in Lowe, followed by a convincing win in Victoria on April 3.

Jordan cracks down on West Bank villages

BY DAVID LENNON IN TEL AVIV

ISRAEL'S attempt to create a pro-Israeli Palestinian leadership on the occupied West Bank is being seriously threatened by a Jordanian warning that any West Bankers who join Israeli-sponsored organisations will face treason charges which can carry the death penalty.

Israel has recently been offering money, influence and weapons to any Palestinians willing to establish and join associations of villages in various areas. Jerusalem is hoping to create an alternative leadership to the elected mayors of the main towns who are all outspoken nationalists. Many of them support the Palestine Liberation Organisation (PLO).

Israel hopes for nuclear power station by 1990

BY OUR TEL AVIV CORRESPONDENT

ISRAEL HOPES to have its first nuclear power station operating by the end of the decade if it can find a country willing to supply the equipment. The decision to ask France to supply a nuclear reactor is clear evidence that Israel's efforts to find a supplier have met with little success so far. Jerusalem has refused to sign the Nuclear Non-proliferation Treaty, thus causing concern that it might use nuclear materials to make a bomb.

In 1977 Israel signed a letter of intent with the U.S. company Westinghouse for the purchase of two 950 MW nuclear generators, but the deal was vetoed by then President Jimmy Carter.

The American President would have to certify that safeguards other than agreement to sign the treaty were in force as a first step towards lifting the ban. Even then, there is considerable doubt that the U.S. Congress would accept this, given that Israel is generally believed to have already developed nuclear weapons, using the two nuclear research plants it received from the French over 20 years ago.

Kenya forecasts 4% growth but troubles continue

BY MICHAEL HOLMAN IN NAIROBI

THE KENYAN economy, once the showpiece of Africa, is facing continuing pressure on its balance of payments and foreign reserves, in spite of a slight improvement in its trade deficit last year.

This is the conclusion of the latest quarterly review from the Ministry of Economic Planning, which covers the first nine months of 1981. However, the review forecasts 4 per cent real growth in the economy in 1982 - although that will barely keep pace with the country's soaring 3.9 per cent population growth rate.

The heavy cost of energy imports and weak markets for Kenya's major commodity exports - coffee and tea - have resulted in persistent current account deficits for the past four years, and reduced the level of foreign reserves to £168m by the end of 1981: cover for some two-and-a-half months' imports.

The Kenyan shilling was twice devalued during the year - by 5 per cent in February and 15 per cent in September. Although overall agricultural performance in 1981 was indifferent, there was a significant recovery in maize production, enabling the country to cut back on maize imports, which had been an important factor in the trade deficit.

The review notes that there was "some improvement" in the economy compared with the poor record in 1980, but output of the two main exports, tea (90,941 tonnes) and coffee (80,748 tonnes) were "stagnant." Lower world prices saw export earnings from coffee in the nine-month period fall 5.5 per cent compared to the same period in 1980.

External trade figures for the nine months reflect government import restrictions. The value of imports fell from £696m to £686m, while exports rose 5 per cent to £304m, of which coffee and tea accounted for £115m and £83m respectively.

The trade deficit fell nearly 10 per cent from £31m in January-September 1980 to £282m in the same period last year.

trade permits. The municipalities' aid has at the same time been blocked and their requests for permits refused.

After the leader of the Ramallah village league was assassinated last November the Israeli authorities have also provided arms and training for over 200 league members. This is supposed to enable them to defend the league leaders against assassination attempts, but West Bankers claim that the league people are using the arms to force others to join the league.

Mr Mustafa Dadein, head of the first league which was founded in Hebron in 1978, said yesterday that he would be appealing to Amman against the new order, which he described as Jordanian "terrorism" against the West Bank population "which knows where its interests lie."

Meanwhile there were widespread disturbances throughout the West Bank yesterday, which has been the scene of anti-Israel and anti-French protests since the visit to Jerusalem last week by President Francois Mitterrand of France. Israeli soldiers shot and wounded a schoolboy while dispersing demonstrators in Nablus yesterday, the fourth Palestinian youth shot by Israeli troops in the past week.

However, the Canadians have made it abundantly clear that they will not sell the Candu system to Israel. After India used a Canadian reactor to develop its own atom bomb, Ottawa has been doubly careful about transferring its knowledge and equipment to countries which will not sign the non-proliferation pact.

Despite these problems, Israel hopes that within two or three years it will have signed an agreement for the purchase of nuclear power plants.

Israel's position on the non-proliferation treaty and others because the company does not want to risk being placed on the Arab black list.

Israeli studies of the most suitable type of nuclear power generating stations have led to opt for the Candu system of Canada, which uses heavy water and unenriched uranium. One advantage of this system is that Israel could produce the unenriched uranium locally as a byproduct of phosphate production from the Negev deposits.

Nothing has come of this, some say because the British Government objects to

company Westinghouse for the purchase of two 950 MW nuclear generators, but the deal was vetoed by then President Jimmy Carter.

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Form for IBM Bureau Service coupon, including fields for Name, Title, Company, Address, and Tel No.

Advertisement for Citibank, N.A. announcing the opening of its new subsidiary CITIBANK OY in Finland. Includes contact information for Citibank Oy in Helsinki.

AMERICAN NEWS

Caracas 'offers secret oil discounts'

BY KIM FUAD IN CARACAS

VENEZUELA'S Government has been accused of offering secret discounts to purchasers of light and medium crude oil.

place light and medium crudes. He said the discounts were being held in escrow accounts in offshore banks to be disbursed as soon as the Organisation of Petroleum Exporting Countries officially lowered the price of its marker crude.

around \$2.2bn (£1.22bn). Sr Humberto Calderon Berti, Energy Minister, said that the previous Accion Democratica administration had given similar discounts in 1978 and 1979 to sell crude due to marketing problems.

recent official figures Venezuelan oil production is running under 1.8m barrels a day or 400,000 b/d less than the 1982 output goal of 2.2m b/d. Exports are a little over 1.5m b/d, 250,000 b/d below the 1982 goal.

Brazilian regime to quit 312 companies

By Our Rio de Janeiro Correspondent

THE Brazilian Government is to sell its minority interest in 312 privately controlled companies. It is also rigorously pursuing a plan to rid itself of a large number of state-controlled companies.

World Airways calls for return to fares regulation by CAB

BY MICHAEL DOAN, AEROSPACE CORRESPONDENT

WORLD AIRWAYS of the U.S. one of the earliest exponents of low fares, has become the first airline publicly to ask for a return to at least partial regulation of fares by the U.S. Civil Aeronautics Board.

got caught in this ruinous web by insisting they will not be undersold. The resulting rate war could be disastrous for all," said World.

In a statement from its Oakland, California, headquarters, World said it had filed a petition with the CAB, seeking a public hearing within two weeks to develop a plan to end the air fares war which is causing crippling losses for all U.S. airlines.

The airline is worried that a continuation of the price war would lead to bankruptcy for several airlines, although officials stressed that World itself would be able to stay in business. "We feel we will be around," said Mr. Brian Cooke, a senior vice-president. "World is not as badly off as many competitors. We do intend to stay in business."

World, citing the airlines' record losses last year, said the CAB should take the lead in ending "the disastrous and completely irrational fares war which threaten the long-haul domestic air transport system."

But over the next six months, some other airlines might be forced out of business.

Under President Carter's "deregulation" system, continued by President Reagan, the CAB no longer interferes in pricing by the airlines.

World wants the CAB to make airlines justify cuts of more than 50 per cent from the standard fares levels computed by the CAB—but not enforced by that body.

World Airways acknowledged that it was ironic that it should seek such renewed control by the CAB, since it has been "an early and leading proponent of low fares."

This would not eliminate low fares or discounts, but could be an "important first step" towards eliminating the "insanely destructive fares" in the U.S. long-haul domestic markets. Most trans-U.S. fares are already below the CAB formula, while most airlines are not carrying enough passengers to break-even.

World admitted that although its own operating costs were among the lowest of the transcontinental carriers, it was losing money at current fare levels.

U.S. expects further action on imports by Japan

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

TWO DAYS of talks between U.S. and Japanese officials on bilateral trade problems ended yesterday with what both sides claimed were promising results.

understood and appreciated by people in the U.S."

The leader of the U.S. negotiating team, David Macdonald, deputy trade representative, said that he saw a "substantial likelihood" of further action by Japan to improve access to its market for U.S. imports.

Apart from discussing future Japanese actions to improve market access, Mr Macdonald and Mr Fukuda decided on the establishment of a "study group" which will discuss residual Japanese import restrictions on farm products. The group will meet in Washington in April.

Companies which do not come under the guidelines include the necessary for national security, legal monopolies, those where federal control is regarded as necessary, such as communications, and companies considered necessary to foster private investment.

A decision was also taken to begin negotiations in October on the expansion of Japan's imports of beef and citrus products. The timing of these talks has been a delicate issue between the two nations for some time with the U.S. demanding an early start to negotiations and Japan showing reluctance.

Foreign-controlled companies will not be able to participate in the privatisation. Usually, the Government first publishes a notice that it is looking for parties interested in participation, and then collects a short list of candidates before organising a second round in which concrete proposals are called for.

Mr Macdonald's opposite number, Mr Hiromu Fukuda of the Foreign Ministry, said Japan had accepted that U.S. imports must be "greatly increased" and added that one way to achieve this might be "taking up the issue" of tobacco imports.

He also said that the U.S. had asked Japan to take "visible" forward-looking measures to improve access to its market that could be

A further outcome of the talks seems to have been the admission by Mr Macdonald that actions taken so far by Japan to liberalise its imports—including the acceleration of tariff cuts and the abolition of non-tariff barriers—are of some significance.

Canada urged to curb car intake from Tokyo

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN motor industry has urged the Ottawa Government to restrict the Japanese share of the new car market to 15 per cent and its share of the new truck market to 8 per cent for a period of two years, starting on April 1.

So far, Mr Lumley has been non-committal about the recommendation, saying only that the Government is examining it.

This recommendation on imports policy was put forward at a meeting of Government industry and union leaders. Mr Ed Lumley, the Minister of Trade, has talks in Tokyo with the Japanese Government next week.

The industry is also urging that, during the two-year period, Japanese companies should buy Canadian-made parts equivalent to 25 per cent of their sales in Canada, and after two years Japanese manufacturers selling in the market should be forced to begin local vehicle or component production.

In 1981 Japanese imports captured 23 per cent of the Canadian new car market and 11.7 per cent of the new truck market. But whether Mr Lumley will try to sell the industry import policy to Japan is not clear.

Unless Japanese supplies meet such requirements, the industry said, they should be restricted to sales of 10,000 units a year.

Gloom faces Europe's polyethylene producers

BY SUE CAMERON, CHEMICALS CORRESPONDENT

A GLOOMY FUTURE for Western Europe's polyethylene plastic producers is forecast in a report published by Chem Systems, an international consulting and research group.

But, by 1980, it is expected that Western Europe will be importing 100,000 tonnes a year of the two types of plastic.

The report predicts a dramatic change in world polyethylene trading patterns over the next 10 years, with new producers in the Middle East taking away much of the business.

Over the next decade, according to Chem Systems, the Middle East will go from being a net importer of around 100,000 tonnes a year of low and linear low polyethylene to becoming an exporter of some 750,000 tonnes a year.

It says that in 1980, Western Europe exported some 400,000 tonnes of low and linear low density polyethylene plastic.

Chem Systems believes that some 20 per cent to 25 per cent of Middle Eastern polyethylene production in 1990 is likely to be sold into Western Europe.

Morocco names builders for \$2.5bn plant

RABAT — Mitsui and Fomento del Comercio Exterior (Focex) of Spain have been selected by Morocco to build a sulphuric acid plant to cost an estimated \$2.5bn (£1.5bn), a representative of Mitsui in Morocco said.

He said negotiations are in progress with the Moroccan state agency, Office Cherifien des Phosphates (OCP), and a contract may be signed next month. The plant will take about four years to complete and will have a capacity of about 138,000 tonnes of sulphuric acid a day.

The project will be financed by Japanese bank credits guaranteed by the Moroccan government.

Rise in exports of UK wool textiles

By Our Textiles Correspondent

BRITAIN sold wool textiles abroad worth \$93.9m in December, an 8 per cent rise on a year earlier. In the four months September to December exports were worth £139.3m, a rise of 8.5 per cent on the corresponding period of 1980.

The most notable feature of the trade figures was the very large increase in shipments to the Middle East, a region to which the textile industry has been paying particular attention.

Iraq, Saudi Arabia and Kuwait were keen buyers of British wool textiles and Saudi Arabia has emerged as the most important single market in volume terms, displacing Japan.

Saudi Arabia takes a large number of worsted goods from the UK. While West Germany, Italy, France, Canada and the U.S. are strong buyers of woollen goods only Japan and the Irish Republic are dominant buyers of worsted cloths.

Indian move to acquire ships at cost of £299m

SHIPPING CORPORATION of India, the country's largest shipping line, has submitted a detailed plan for acquiring 21 new ships totalling 606,000 gwt at a cost of Rs 5bn (£299m) by 1983, writes K. K. Sharma in New Delhi.

This was announced by Mr N. S. Mahida, the new chairman of the corporation.

He said that the corporation had not yet ordered any new ships although the country's sixth five-year plan ending in 1985 provided for Rs 8bn for the purchase of 47 ships of a total 1.23m gwt. This was because the corporation felt that orders should not be placed when the shipping trade was in recession, Mr Mahida said.

Norad 'beset by faults'

By Reginald Dale in Washington

THE NORTH American nuclear attack warning system (Norad) is beset by "severe and potentially catastrophic deficiencies," a U.S. congressional report said yesterday.

The House of Representatives Government Operations Committee said that false alarms of a Soviet nuclear attack, which occurred three times in 1979 and 1980, could be given again by obsolete computers, despite encouraging steps taken to correct the immediate causes of past defects.

The computers are also vulnerable to breakdown during which no warning could be given in the event of a real attack. The committee's report blamed bureaucratic foot-dragging by the Joint Chiefs of Staff and the air force said Pentagon promises to improve the system had remained largely unfulfilled.

The report concluded that the failure to correct the problems "will undermine any chance that an effective attack warning or command and communications system can be installed by 1990."

The committee said it doubted the ability of the Department of Defence "to provide this country with a timely, effective missile warning system." The report said that the computer system, besides being obsolete, is mismanaged and cannot cope with the stress under which it is placed on a daily basis. The committee urged that the computers be replaced with much more modern equipment.

GM-union talks about to resume

By Paul Betts in New York

GENERAL MOTORS, the largest U.S. car-maker, and the United Auto Workers are expected to resume employment negotiations on a new GM labour contract tomorrow.

The UAW said yesterday it had agreed to resume talks if the union's 290 member GM council voted in favour of returning to the bargaining table today.

GM and the UAW broke off negotiations on a new labour agreement at the end of January largely because the union's rank and file felt the car-maker was offering inadequate terms in return for union wage and benefit concessions.

But since the collapse of the GM contract negotiations, there has been a dramatic change of sentiment among GM workers. This follows the recent landmark labour settlement between the Ford company and the UAW and widespread layoffs announced by GM after its sales broke down.

GM is not expected to bring back to the negotiating table its novel proposal to pass on any concessions made by the unions directly to the price of its cars.

The UAW had asked GM to open the company accounts and books to the union. The UAW is seeking to obtain job security guarantees for its members similar to those granted by Ford in its recent settlement.

Nicaragua denounces U.S. claims

BY ANATOLE KALETSKY IN WASHINGTON

THE CRISIS in U.S. relations with Central America intensified yesterday as the Nicaraguan Government flatly denied U.S. claims that Soviet military advisers were assisting in a massive build-up of armed forces which goes "vastly beyond any defensive need."

The State Department refused on principle to confirm or deny the report.

parliamentary delegation would go on to El Salvador today in the last stop of a regional tour that included Cuba.

The Nicaraguan Ambassador in Washington said that the U.S. claim of 6,050 Cuban and 50 to 70 Soviet officers operating in Nicaragua was totally false.

United Nations diplomats in New York reported that the Nicaraguan Government had warned the UN Secretary General that the U.S. might be preparing an attack on their country.

Col Lima spent most of his five-day trip visiting small arms and ammunition factories. The military assistance being discussed is believed to include the supply of FAL rifles manufactured under Belgian licence and Pucarra ground attack aeroplanes.

In Washington, President Reagan was reported yesterday to have authorised a covert operation to destabilise the Nicaraguan Government. Quoting "informed administration officials," the Washington Post said that President Reagan had approved a plan by the Central Intelligence Agency to spend \$19m (£10.5m) to recruit a 500-man paramilitary force, which would be supplemented by about 1,000 Latin American commandos, some of whom were allegedly being trained in Argentina.

The force would attack military and economic targets in Nicaragua with a view to disrupting the economy and slow-

down the flow of arms from Nicaragua to El Salvador. The State Department refused on principle to confirm or deny the report.

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Argentina risks N-rift with U.S.

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA IS risking a serious rift with the U.S. over nuclear proliferation, after reaffirming its right to develop an atomic bomb for "peaceful purposes."

utterly false" that his country was using nuclear fuel for the construction of atomic explosives. Their "usefulness for peaceful purposes" had not been demonstrated yet.

U.S. that Argentina might be close to being able to make its own nuclear weapons.

In an interview with the national news agency, Noticias Argentinas, Admiral Carlos Castro Madero, head of Argentina's Atomic Energy Commission, said: "We cannot be over-hands by relinquishing the right to build nuclear weapons once their usefulness is demonstrated."

Argentina's nuclear ambitions were confirmed recently by Admiral Madero in a speech to the Atomic Industrial Forum of Japan in Tokyo.

Argentina emerged as the leading nuclear power in Latin America when it opened its first commercial heavy water reactor in 1974. A second heavy water reactor with a capacity of 600 Mw is under construction near Cordoba and a third is planned.

But Admiral Madero added on Tuesday night that it was

increasing concern in the

increasing concern in the

Guatemalan protest thwarted

BY OUR LATIN AMERICA CORRESPONDENT

THE THREE civilian aspirants to the Guatemalan presidency have lost their bid to challenge Sunday's allegedly fraudulent victory by General Anibal Guevara, the nominee of Gen Romeo Lucas, the present Head of State.

candidate, Sr Alejandro Maldonado, have protested against what they called Gen Lucas' attempts to falsify the results. The West Germans claim that Sr Maldonado achieved the leading position with 36 per cent of votes counted.

The Bonn party's protest is significant because of the strong trade links between West Germany and Guatemala and the large number of descendants of German families who occupy important positions in Guatemalan life.

The three civilians, whose politics range from right-of-centre to extreme conservative, were arrested briefly on Tuesday night as they and some supporters marched on the National Palace in Guatemala City. They were alleging ballot rigging in the poll which

Gen Guevara's rights, however, however shaky, are unlikely to be challenged by the courts. An estimated 3,500 people were killed in political violence last year, the majority of them victims of Government forces or right-wing vigilantes controlled by the Government.

The West German Christian Democrats, who have been backing the Christian Democratic



Gen Anibal Guevara

Mexico holding to realistic exchange rate

BY WILLIAM CHISLETT IN MEXICO CITY

THE BANK of Mexico is determined to maintain a realistic exchange rate to prevent the peso from becoming overvalued again, according to bankers who have been briefed by the central bank.

to the dollar. They say they are convinced that the Central Bank wants to keep a margin to compensate for the difference between Mexican and U.S. inflation rates. The inflation rate could be 50 per cent in Mexico this year and in single figures in the U.S.

will become more competitive. Bankers say they do not believe the Bank of Mexico has enough reserves at the moment to sustain a much lower rate.

The currency has depreciated 42 per cent since it was allowed to float freely against the dollar three weeks ago. The peso is currently trading at about 45:46 to the dollar.

By maintaining a high exchange rate, it is argued, capital outflows will be reduced. The drain on the tourism account caused by the massive increase in Mexican spending on holidays abroad will be lessened and non-oil exports

will not intervening on foreign exchange markets and says that it will not do so until the peso stabilises.

Senior Mexican bankers reckon that the peso is now slightly undervalued, and ought to stand at about 35:40 pesos

to the dollar. They say they are convinced that the Central Bank wants to keep a margin to compensate for the difference between Mexican and U.S. inflation rates. The inflation rate could be 50 per cent in Mexico this year and in single figures in the U.S.

But it is well known that they were seriously eroded in the six weeks before the peso was floated by massive outflows of capital.

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The Central Bank is officially

Mexico has high hopes of further increase in exports of crude

BY MARTIN DICKSON, RECENTLY IN MEXICO CITY

MEXICO, now the world's fourth-largest oil producer, is expecting to increase its crude exports again this year despite a world oil glut and most producing countries facing falling sales.

comfort from the fact that its annual crude oil exports have been rising more or less steadily since the country's decision in the mid-1970s to become a substantial international supplier. Exports rose from an average 533,000 b/d in 1979 to 828,000 b/d in 1980 and 1m b/d last year.

buyers wishing to diversify their sources of supply, provided it keeps its prices competitive.

for example, were depressed by 10 days of bad weather which affected loadings.

positions from a number of other potential clients which it has not accepted.

on soft credit terms. However, Sr Escobedo revealed that one country—Honduras—has problems with the heavy crude and was not expected to continue lifting. Mexico has been having difficulties of its own during the past six months in getting payed from financially troubled Costa Rica and Nicaragua.

Mr Escobedo added that Mexico had held talks with the Soviet Union, Cuba and Spain on the long-mooted possibility of Mexico taking over from the Soviet Union as main oil supplier to Cuba, with the Russians replacing Mexico as supplier to Spain.

This year, the country is aiming to sell an average of 1.5m b/d—the ceiling on exports fixed by President Jose Lopez Portillo—though some observers believe it may only reach 1.3m b/d.

Some 65,000 b/d of Mexican oil is currently being sold under a joint aid agreement with Venezuela, to Central American and Caribbean states. The customers—Jamaica, Costa Rica, El Salvador, Nicaragua, Guatemala and Honduras—receive a mix of 70 per cent Ismthus and 30 per cent Maya

the market price. Mexico is currently contracted to sell 1.72 b/d. (The contract total is higher than the export ceiling because not all customers will be able to take up their full entitlement. February's sales, for instance, were depressed by 10 days of bad weather which affected loadings.)

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This optimistic forecast is marred, however, by the dramatically falling price of oil. The average price of Mexico's export blend has fallen by \$3 a barrel to \$28.75 a barrel since the start of the year, slashing some \$1.5bn from the country's projected 1982 export earnings.

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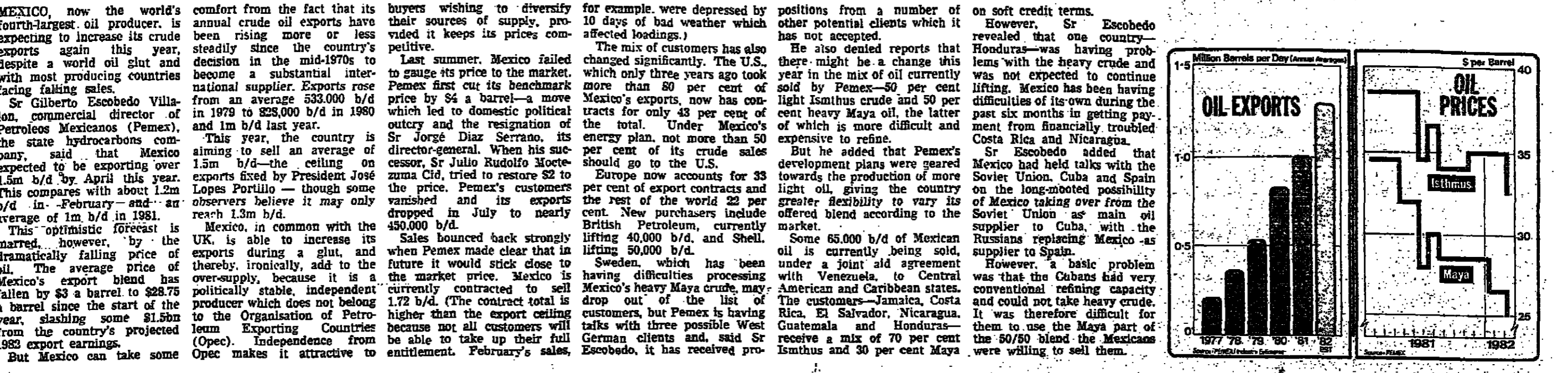
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UK NEWS

Ministry in counter-attack over timetable for frigate

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE TIME it will take to build and commission Britain's next major warship has led to a clash between the Ministry of Defence and British Shipbuilders.

The Defence Ministry believes the Type 23 frigate, which is being designed for anti-submarine warfare in the north Atlantic, cannot enter service with the Royal Navy before 1985.

Vice Admiral Sir Lindsay Bryson, Controller of the Navy, publicly disagreed yesterday with Mr Robert Atkinson, chairman of British Shipbuilders who had earlier given evidence to the Commons Select Committee on Defence.

Admiral Bryson told the committee he "did not believe" Mr Atkinson's contention that

the frigate could be built and commissioned by 1986.

The ministry and the state-owned British Shipbuilders are at odds over the process by which the ministry spends £6bn a year on military equipment. This so-called procurement process is the subject of the Defence Committee's inquiry.

British Shipbuilders and other defence-related companies say the process is cumbersome and bureaucratic. British Shipbuilders maintains in particular that if it were given full charge of building the frigate, it could cut two years and probably several million pounds off the ministry's estimates.

However, Admiral Bryson said yesterday that it was

essential that the warship, which is intended to cost £80m-£70m against current frigate costs of some £125m, be designed in great detail so that it could be built under a fixed-price contract. This was the only sure way of safeguarding taxpayers' interests.

Specifications for the Type 23 should be ready by the summer, while it would take another year to finalise detailed designs. The frigate, the first of some 16 planned ships, would be commissioned by 1988 "at the earliest," Admiral Bryson said.

This timetable could only be changed by "cutting corners" and "taking risks," which it was not the habit of the ministry to do, he added.

Grylls urges warship yard sale

FINANCIAL TIMES REPORTER

THE ANNOUNCEMENT of redundancies at Vosper Thornycroft, the leading British warship builder, has rekindled pressure for the Government to privatise warship yards.

Mr Michael Grylls, chairman of the Tory Backbench Industry Committee, said yesterday he would be making a new Commons call over the next few days for the disposal of the yards — by far the most profitable subsidiaries within state-run British Shipbuilders.

"The question people will be asking themselves after hearing about Vosper is why British yards have been so totally un-

successful in getting warship orders over the past four years when there have been some £2bn worth of orders placed around the world," he said.

Vosper, which made pretax profits of £24m in 1980-81 and paid a £43m dividend to British Shipbuilders in the same year, is to cut its 5,600-strong workforce by about 10 per cent this year. It last won an export order in January 1981, but that was only for two patrol boats.

Mr Grylls, MP for North-west Surrey is a director of Vosper Ltd, the private company which is seeking extra compensation from the Government for assets

lost during shipbuilding nationalisation of 1977. He believes the warship builder would be more successful in winning export orders if it controlled its own investment.

He says the handing over of the dividend last year amounted to asset stripping and was a material cause of the company's problems.

Vosper has refused to comment on the dividend issue, but it claims its export performance in recent years has been badly affected by growing competition from abroad, the world recession and government credit restrictions to customers.

Call for cut in ships' crew costs

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE British merchant fleet must cut its crew costs without weakening maintenance, safety and job satisfaction if it is to meet the challenge from the Far East, Sir Frederic Bolton, president of the International Shipping Federation, said yesterday.

"Most of the rest of Europe and Japan are moving faster than we are — both in regard to work organisation and manning rationalisation," he told a seminar organised by the Honourable Company of Master Mariners and the Nautical Institute.

His remarks were made against the background of a steadily declining UK merchant fleet at a time when shipowners are becoming increasingly aware of the need to match the lower crew levels achieved abroad.

Scandinavian fleets have made far more progress in operating with smaller crews on re-designed ships, and West Germany is also experimenting with reduced manning levels.

Sir Frederic said fundamental changes in the organisation of work, manning and division of responsibilities on ship must

be a slow and considered process.

"All the countries which have made positive progress have been working at it for 10 years or more," he added. "The simple question must be: Is there any way in which Western operated, Western manned ships can be organised so as to compete?"

One lesson that emerged from a meeting of 14 federation countries in London last week, he said, was that all parties had to be brought into the consultative process, including particularly the masters and seafarers.

Training plan 'may alter job entry standards'

BY ALAN PIKE

CERTIFICATES awarded to young people on the Government's proposed Youth Training Scheme may lead to the modification of existing job entry requirements, a report to the Manpower Services Commission suggests today.

The Government intends to introduce the year-long training scheme, combining work experience and further education, for unemployed school leavers in September of next year.

It is the view of the MSC, however, that the new vocational preparation arrangements should apply to all young people leaving school and not just the unemployed.

An MSC task group representing both sides of industry and educational interests is currently exploring ways of meeting this objective and will

report to Mr Norman Tebbit, Employment Secretary, shortly. Mr Geoffrey Holland, MSC's director, reiterated in a foreword to the report that the Commission believed "as rapid steps as possible should be taken" to provide vocational preparation for all young people entering the labour market, and that the task group would

report on "how this is to be achieved, how costs should be shared, the timetable for introducing such a scheme, and the nature and level of income of young people taking part."

The report, prepared for the commission by the Institute of Manpower Studies, stresses that to operate successfully, the new traineeship must be accepted as useful and valuable by young people themselves, employers, educational and training bodies, trade unions and the public.

The setting of standards was a tool for implementing all the policies which would be needed for high-quality traineeship.

A key question was whether the traineeship should establish minimum standards which virtually all trainees could be expected to achieve, or whether young people should be placed in some hierarchy of ability or competence.

Minimum standards could be relatively easily established and would provide the satisfaction of achievement. But, says the report, the alternative approach might provide a better link into employment and further education, and would be less likely to lead to "teaching to the minimum."

A fundamental decision would have to be made on whether the scheme should impose its own standards or fit into

the existing entry requirements for further education, long-term training and employment.

Current entry requirements for a range of jobs suggested that at least two O-levels or equivalent would be needed if the scheme were to adopt existing arrangements.

The British examination system was, however, often criticised for concentrating more heavily on testing memory than testing the ability to use knowledge and skill, and this argument might be sufficient justification for the traineeship to create its own standards.

An even more powerful factor in support of this view was the large number of young people likely to take part in traineeships.

"Sheer size will enable the traineeship scheme to demand

of other institutions that they modify, or accept alternative, entry requirements."

If the competence and experience of trainees could be demonstrated to be relevant to effective work performance employers might also change their requirements.

The report warns, however, that while there are strong reasons for pursuing an innovative approach, traineeships might, by being too unorthodox, "produce a united front of opposition from educational bodies saying that under no circumstances will traineeship certification be accepted as meeting entry requirements."

Foundation Training Issues—Institute of Manpower Studies, Mantell Building, University of Sussex. £5 (1315 subscribers £4).

Race breakdown claim for mugging figures

BY JAMES McDONALD

IN THE majority of recorded robberies and other violent thefts—including mugging—in London last year the victim claimed the assailant was coloured, according to Metropolitan Police figures published yesterday.

It is the first time police have published a breakdown—not only by district but by colour of assailant according to the victim—of recorded robberies and other violent thefts.

Of 18,763 offences, 10,399 were by coloured assailants, 4,967 by white assailants, 704 by a mixed gang, with the appearance of the remaining 2,693 offenders not known.

Mr Gilbert Kelland, Assistant Commissioner, Crime, asked why it had been decided to publish the race breakdown, said: "There is a demand, police feel, for this information from the public and the media, and it was considered it was important, if the position is to be understood and to prevent gossip and rumour and miscalculations, to publish them."

"We all hope that honesty and openness and putting the facts on the table for debate will be helpful, and I hope people will not interpret them as being slanted or directed at any one section of the community."

The majority of crimes occurred in inner London and nearly a quarter of the victims were more than 50 years old.

Lambeth had the highest total of 2,493 cases, up 28 per cent over 1980, with 1,988 coloured assailants and 287 white assailants, 72 assaults by a mixed gang and 108 not known.

The biggest percentage increase over 1980, of 87 per cent to 1,376 cases, was in Lewisham and Bromley, where there were 289 white attackers, 901 coloured, 55 mixed gang attacks and 131 not known.

Although robbery and other violent thefts account for only 3 per cent of the 594,137 serious offences recorded in London last year, police are particularly concerned about them. The total was 34 per cent higher than in 1980.

Firearms were carried in 1,415 offences last year, against 767 in 1980.

After a slight decline in 1979, the total of all serious offences recorded by the police rose last year for the second year running by 8 per cent to 631,328 offences. The number of arrests declined between 1980 and 1981 by about 7 per cent to 97,276, the lowest since 1974.

The number of crimes cleared up, or solved, was the lowest in at least 10 years.

At least another 5,000 police were needed in London to combat the "horrifying" increase in violent crime, Mr Jim Jardine, Police Federation chairman, said yesterday.

Borg Warner drops £33m project

BY ROBIN REEVES

THE U.S.-OWNED Borg Warner Corporation has scrapped plans to invest more than £33m in a new automatic continuously variable transmission (CVT) system at its European plant at Kenfig Hill, South Wales.

The company has decided instead to seek contracts for supplying components for a smaller and more cost-effective automatic transmission system. High-volume production of the new CVT is being planned by a major motor manufacturer, which believes the time is ripe to take the plunge into the mass production of automatic transmissions for small cars.

Borg Warner, which has refused to name the motor manufacturer involved, said it is seeking a contract to supply components to a plant assembling

some 500,000 CVT units a year, starting in 1984.

This was a more attractive proposition than Borg Warner's original CVT investment project at the Welsh plant, which was being planned in collaboration with Fiat and Van Doorne. That had envisaged a maximum of 200,000 units a year—and initially just 25,000 units—as well as large capital investment costs.

Fiat had been inclined towards fitting the CVT into a 1.6 litre car, whereas the investment planned in Wales was aimed at a CVT designed basically for 2-litre models.

The new CVT system will still be based on the Van Doorne moving belt principle, in which both Fiat and Borg Warner have a financial interest

through their original collaboration agreement.

The decision to go ahead with the mass assembly project evidently will involve Fiat waiving its contractual right to make the CVT system first. The proposed deal would involve the Italian group launching CVT in its own models at the same time as the other car manufacturer.

If Borg-Warner wins the contract it is after the company will supply pressings, gear trains and various shafts. Other components for the CVT system would come from elsewhere.

Some investment by Borg Warner would still be required at Kenfig Hill, but nothing like the £33m envisaged under the scheme for assembling CVT transmissions there.

Concern over control of civil servants

BY ROBIN PAULEY

SERIOUS criticisms about the control of civil servants have been made in the latest report on the subject by the powerful Commons Public Accounts Committee.

The committee was told by Sir Douglas Henley, the former Comptroller and Auditor General, that by 1979 there had been a deterioration in staff inspection performance in the Civil Service.

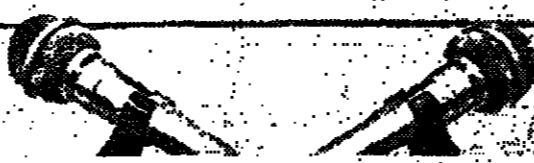
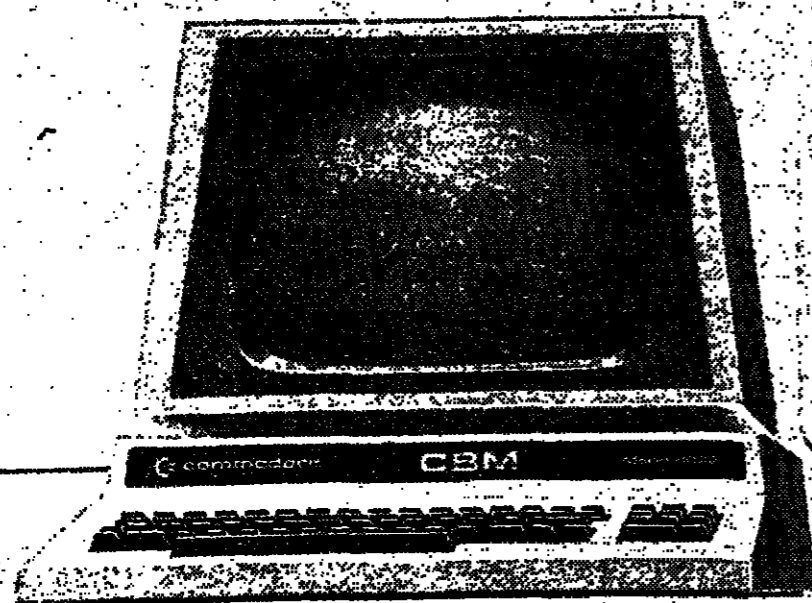
"In view of its importance in manpower control we were dis-

turbed to learn that serious shortcomings had been identified in the scope and coverage of staff inspection. The most important cause of this unsatisfactory situation — inadequate direction of, and involvement in, staff inspection by the top management of departments — was the same underlying weakness that had been identified in an earlier review in 1975-76," the PAC report says.

The committee also says there is clearly too much delay in resolving reservations which the central department might have about an employing department's staffing procedures. If the central department possesses the appropriate general expertise in manpower control and special knowledge of the employing department's circumstances, and is itself adequately staffed, this should give it the confidence and authority to pursue the issue vigorously, if necessary to Ministerial level, until it is settled.

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Range is important to us at Commodore, too, because unlike many manufacturers, we don't believe in offering just one solution to all kinds of

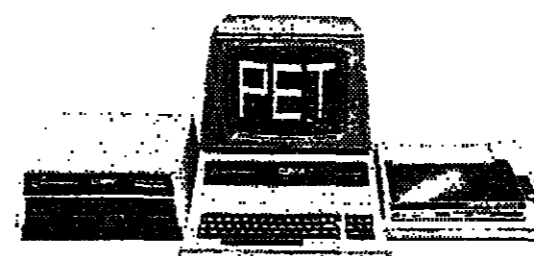
problems. So you have a choice of computers that start with a home colour computer (though we're told it's often used at work by businessmen) and goes through to a super sophisticated system that can take on the most complex jobs.

Service is something we've always worked hard at. In fact we carefully select and train dealers in our national network before they're appointed Commodore Business Consultants. Just to be sure they look after you properly. Before and after sales.

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brochure that makes choosing a computer simple. Next time we meet the man who crossed a microchip with a palm tree and invented computer dating."



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Form for requesting a Commodore PET brochure, including fields for Name, Position, Company, Nature of Business, Address, and Tel. Includes the Commodore logo and the slogan 'Quite simply, you benefit from our experience'.

UK NEWS

BCal's Gatwick to Los Angeles route set for May

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE British Caledonian Airways Gatwick to Los Angeles service is to begin early in May. There will be six flights a week, using DC-10-30 tri-jets. Details are being completed following Mr John Biffen, the Trade Secretary's decision on Tuesday to exempt the airline from normal licensing procedures.

British Caledonian had asked for the exemption to allow it to fly the route for at least six months this summer. It aims to ensure that the British market share is not lost to American competitors.

Application

The Civil Aviation Authority last week refused to grant the exemption. It felt it would preempt normal licensing procedures, particularly the application from Borepage, set up by Sir Freddie Laker, to have the former Laker Airways' licence, granted to it.

Mr Biffen disagreed with the aviation authority after a direct appeal from British Caledonian. He accepted the airline's view that someone should fly the Gatwick-Los Angeles route, pending settlement of who should be the permanent licence holder.

This matter is to be discussed

at public hearings starting in London on May 4. Those proceedings are likely to be long and, in the meantime, the route would have been left vacant and open to American competitors. Mr Biffen feels that, provided British Caledonian is ready to give up the route if the aviation authority eventually decides on another airline, it can operate an interim service to keep the British flag flying.

British Caledonian believes it can do this from May 1 to October 31, and make money. It thinks its case to become a longer-term licence holder is so strong that it will be awarded the route by the authority after Mr Biffen's public hearings.

British Caledonian will complete its plans within the next few weeks. These include additional staff in Los Angeles—where there is a sales office—and arranging for the handling of its aircraft there, as well as starting a sales promotion campaign to win passengers in the UK and the US.

Staff from the airline flew to Los Angeles yesterday to put the plans into effect. Advertising will start almost immediately, and the airline is confident that when flying starts it will attract good loads.

Farnell to invest £200,000 in factories

By Nick Garnett, Northern Correspondent

A MEDIUM-SIZED electronics company is to invest the equivalent of £200,000 to set up small factory units, partly to attract high-technology companies which may form a trading partnership with it.

The Farnell Electronics group is receiving no financial assistance for the scheme, at Boroughbridge, North Yorkshire. Its manufacturing arm, Farnell Instruments, has decided that such a programme of nursery-unit building can provide an acceptable return on capital for itself as well as encouraging the growth of small companies in an area with weak industrial infrastructure.

The cost of the project, supported by the local authorities, includes the value of the land which Farnell bought three years ago.

Initially there will be seven factory units—ranging from 1,300 to 2,400 sq ft—built adjacent to Farnell's own plant. Further land is available for more units, which will be rented.

Reasonable

Mr Eric Hall, deputy managing director of Farnell Instruments, said the scheme would provide a reasonable return on capital.

"We'll look at anyone who wants to take up the units but we are especially interested in high-technology companies who could help us and we could help them," he said.

"We are convinced that companies like us can provide a great deal of help to small companies through projects like this."

Farnell Instruments, which sought the advice of North Yorkshire County Council before going ahead with the scheme, specialises in industrial control units, equipment for stabilising power supplies and testing transmitters and receivers. The group had a turnover of £30m in the last financial year.

The Council is trying to encourage other companies in the area to follow suit. Some undertakings in other parts of the country have established small factory units as an investment opportunity for their own pension funds.

A fillip to document exchanges

Jason Crisp looks at a new trend

THE RAIL strike gave a fillip to the fast-growing phenomenon of document exchanges which compete with the Post Office. While the strike was on traffic between exchanges rose by a third.

A few local document exchanges were set up, mainly by lawyers, because of the postman's strike in 1972. Most closed. The British Telecommunications Act passed last year has given the exchanges a boost. It allows them to transport mail in bulk between each other. Previously, this had been prohibited because of the Post Office's statutory monopoly.

Before the Act was passed there were two in London and one each in Birmingham, Edinburgh and Glasgow. There are now more than 70 and several more are being opened each month. They are also linked to a document exchange in Dublin and Brussels.

Nearly 1,500 law firms are using document exchanges and several hundred companies—including insurance companies, accountants, stockbrokers and surveyors—have joined. How does a document exchange work? Each company or organisation has its own locked box at its local document exchange which has a slot in it like that of a letter box.

Company messengers have a key to the box and come and collect any mail from it, some times several times a day. At the same time they put documents for other firms into their boxes—each company has a

box number which they are encouraged to put on letter headings. There is also a directory of members and their box collection times.

The British Telecommunications Act gave the opportunity to send documents to organisations at other exchanges, including their own subsidiaries. Each night couriers in station wagons start collecting from the outer exchanges and converge on the main London document exchange at about midnight.

In the meantime, mail for the regions from London will have been sorted for each courier's run back to the outer exchanges. The documents from the regions also have to be sorted and the couriers set off from London at 2.30 am and should have reached the outermost exchange before 9 am.

The first commercial document exchange was started in London in 1975 just off Chancery Lane. Driving force behind the exchanges is Pauline Lyle-Smith, an extrovert Australian solicitor who arrived in Britain in 1974 after practising law for four years.

She was surprised to find there were no exchanges in general use as they were common in Australia. She approached the Law Society for backing. "They very kindly and gently told me they could not back a commercial venture," she said.

But, supported by Holborn Law Society and the financial

backing of a marketing executive the London Document Exchange was formed and in six weeks had 100 members. It is now the hub of other exchanges and is where all the sorting is done.

A second document exchange was opened in the City at the end of 1978. It is mainly used by insurance brokers, insurance companies, stockbrokers and accountants and has 400 members.

Since it became legal to transmit documents between exchanges the numbers have grown rapidly. Outside London each exchange is unmanned, with the members having a key to the exchange as well as their own box.

The London Document Exchange was taken over in November 1980 by the Hays Group, formerly Hays Wharf. Miss Lyle-Smith says: "We're very happy about it. We clearly needed a big company to give us the financial and management backing needed to take full advantage of the opportunity offered by the British Telecommunications Act."

She believes the potential is enormous. More stockbrokers in the regions are joining because the Stock Exchange collects from the City document bureau. She believes there is considerable potential from chartered surveyors and other professions such as medicine.

Clearly, as the system grows and involves more exchanges further afield, the administra-



tive and management problems will increase.

The cost of using the system varies. For a big insurance company sending large volumes—often with quite large packages which don't go into the boxes—it can cost up to £800 a year. For a small firm of solicitors it is £280 a year.

The expansion of document exchanges into a network, centred on London, has made Miss Lyle-Smith more sympathetic to the Post Office. "When a document fails to turn up the first reaction is for people to blame you. As your system is very simple it is very easy to check where a document is and usually we find it is not our fault."

The Post Office need not worry too much. The exchanges deal with a few thousand documents a day. The Post Office collects 34m letters from 100,000 post boxes and delivers to 22m establishments each day.

Ward and Goldstone to shed 286 cable workers

BY NICK GARNETT, NORTHERN CORRESPONDENT

WARD AND GOLDSTONE, the general electrical group, is shedding 286 jobs in its cables operation, which it says is necessary to secure the future of the 800-strong division.

The redundancies at its plant in Salford, near Manchester, are also linked with the decision by the company to move cable manufacturing to the Trafford Park enterprise zone in the city.

Mr Michael Goldstone, managing director of the group, which employs more than 4,000, mainly in Lancashire, said the company wanted to start up at Trafford with the right at-

mosphere and the right manning levels.

The company has been investigating domestic cable manufacturing in Scandinavia, West Germany and other parts of Europe. "In comparison we are non-starters at this stage. We would have had to shut down unless we became more efficient," he said.

The company has made productivity improvements already. It has not been making any profit in its cable-manufacturing operations. Ward and Goldstone has job vacancies elsewhere in the group and expects many of those to be taken up by workers from the Salford plant.

Farnell Instruments, which sought the advice of North Yorkshire County Council before going ahead with the scheme, specialises in industrial control units, equipment for stabilising power supplies and testing transmitters and receivers. The group had a turnover of £30m in the last financial year.

The Council is trying to encourage other companies in the area to follow suit. Some undertakings in other parts of the country have established small factory units as an investment opportunity for their own pension funds.

Call to limit time in prison before trial

BY LISA WOOD

A TIME limit for imprisonment before trial, bringing England and Wales into line with Scotland, was proposed yesterday by the National Association for the Care and Resettlement of Offenders.

Ms Vivien Stern, director of the association, said Scotland's 110 day rule, under which a trial must start within 110 days of a defendant's commitment in custody, provided a valuable safeguard for defendants by preventing inordinate delays.

Her remarks coincide with a debate, to be held today by the House of Commons standing

committee on the Criminal Justice Bill, on an amendment which would introduce a similar rule to England and Wales.

If adopted, the measure would not significantly reduce the prison population, one reason being that time on remand in custody counts towards a prison sentence. However, Ms Stern said the proposal would not only prevent delays in prison where conditions were "a national scandal" but would also improve the quality of justice as cases heard would be fresher in the minds of witnesses.

Jobless offered extra cash for community service

UP TO £14 a week more is being offered to the jobless in Scotland if they are prepared to do voluntary work in the community. The money, £2 a day, would be paid as expenses and would not affect unemployment benefit.

The Carnegie United Kingdom Trust has been given £400,000 by the Government to set up an unemployment voluntary action fund. At the trust's annual meeting in Dunfermline yesterday, the Countess of Albemarle, chairman, described the fund as a "palliative" to unemployment.

Later, Mr Geoffrey Lord, secretary, said: "The purpose of the fund is not to provide jobs or wages but to assist un-

employed people who wish to engage in voluntary activities."

The Government made the grant of £400,000 for one year only but Mr Lord hinted that other charitable trusts, including the Carnegie United Kingdom Trust, were not debarred from contributing their own resources to the fund after that time.

The trust, which made record grants totalling £551,000 to 70 organisations during the year, is also setting up a national inquiry into the arts and disabled people.

An important part of the investigation will be to find ways to prevent the work of the disabled being separated from the general activity of the arts.

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PUBLIC NOTICE

NATIONAL SAVINGS CERTIFICATES TWENTY THIRD ISSUE

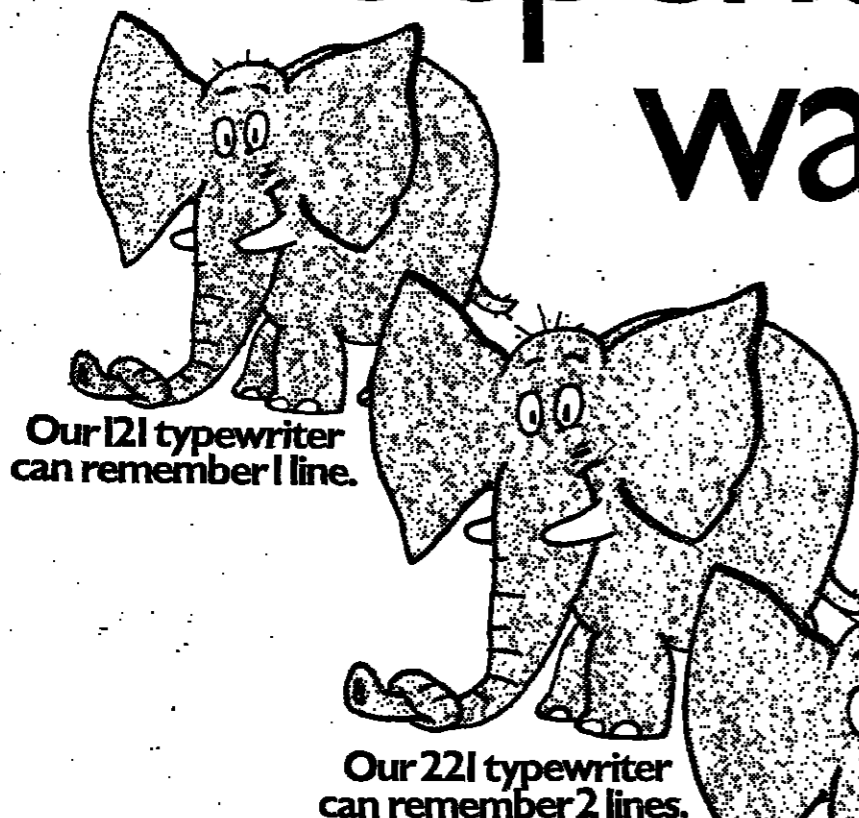
The Chancellor of the Exchequer has announced that sales of the 23rd Issue National Savings Certificates would cease from the close of business on Wednesday 10 March 1982. This certificate issue is therefore no longer on sale.

A 24th Issue Certificate, details of which will be announced later, will be introduced as soon as possible.

The withdrawal from sale was due to the reduction in other interest rates since the issue was launched. The 2nd Index-Linked Issue will remain on sale.

DEPARTMENT FOR NATIONAL SAVINGS

Whether you need a typewriter or a word processor depends on how much you want to remember.



print it perfectly, as many times as she wants.

The start of something big.

These features alone are worth the extra money (and if it's any interest to you, the 221 is seen as the 'hot' machine inside Olivetti).

But if you want a typewriter that can store even more inside you have only to look at our 231. It can remember seven pages. And print half as fast again as its smaller brother.

It will show you pages of type exactly as they'll appear.

You can add or take away single words or entire paragraphs and the machine will compensate, re-space and print the new version, holding the original until you wipe it.

Altogether it can store nearly 200 pages and form the cornerstone of an automated office.

The cost of memories.

Storage space costs money whether it's in a warehouse, a typewriter or a word processor, and the more you pay, the more you get.

For example, you can lease our 121 for as little as £5 a week.

The 221 for £7.50 a week.

The 231 for £10 a week.

Whereas the 351 with the outside memory store will set you back around £15 a week. And the ETS 1010 under £30 a week.

Would you like to see one or other

It might help you choose if you stop thinking of typewriters and word processors as different animals.

Instead, try seeing them as different sizes of the same animal. With different sizes of memories.

So that some, for example, can store a short phrase like 'yours sincerely.'

While others can memorise the complete works of Shakespeare.

Let's start with a guided tour of our basic model, the Olivetti 121, and work up.

The smallest memory.

The first thing you'll notice is how quiet it is. Like someone typing in a cupboard.

When you take the lid off you'll have another surprise.

It seems empty.

Instead of levers, swivel joints, and springs there are microchips and sensors.

And instead of handfuls of clattery keys there's a 'daisy wheel' with all the letters on little stalks.

Whereas the old electric golfballs have about 2500 moving parts, our electronic typewriters have just 100.

This new technology gives you features unknown to the old.

It can centre headings automatically, for instance.

But of course, it's the first vestiges of memory that fascinate most people.

The 121 can store a line of type.

It can't print it back for you, but it can correct any or all of the characters you instruct it to.

It's bigger brother is called the 221.

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It can memorise two lines or 100 words. What's more, it'll show them to you on a visual display panel before it prints them.

So if they're not the pure gems you intended you can cut and polish them.

With equal precision it will justify a line to the right hand margin, to give a neat edge like a book's, not a ragged one like a letter's.

It will also recall standard phrases on demand: your title, for example.

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The machine will type them for you at over 250 words a minute, with different names and addresses on standard letters, so that each seems individually written.

Even this Leslie Welch of a machine, however, is surpassed by something better, the ETS1010.

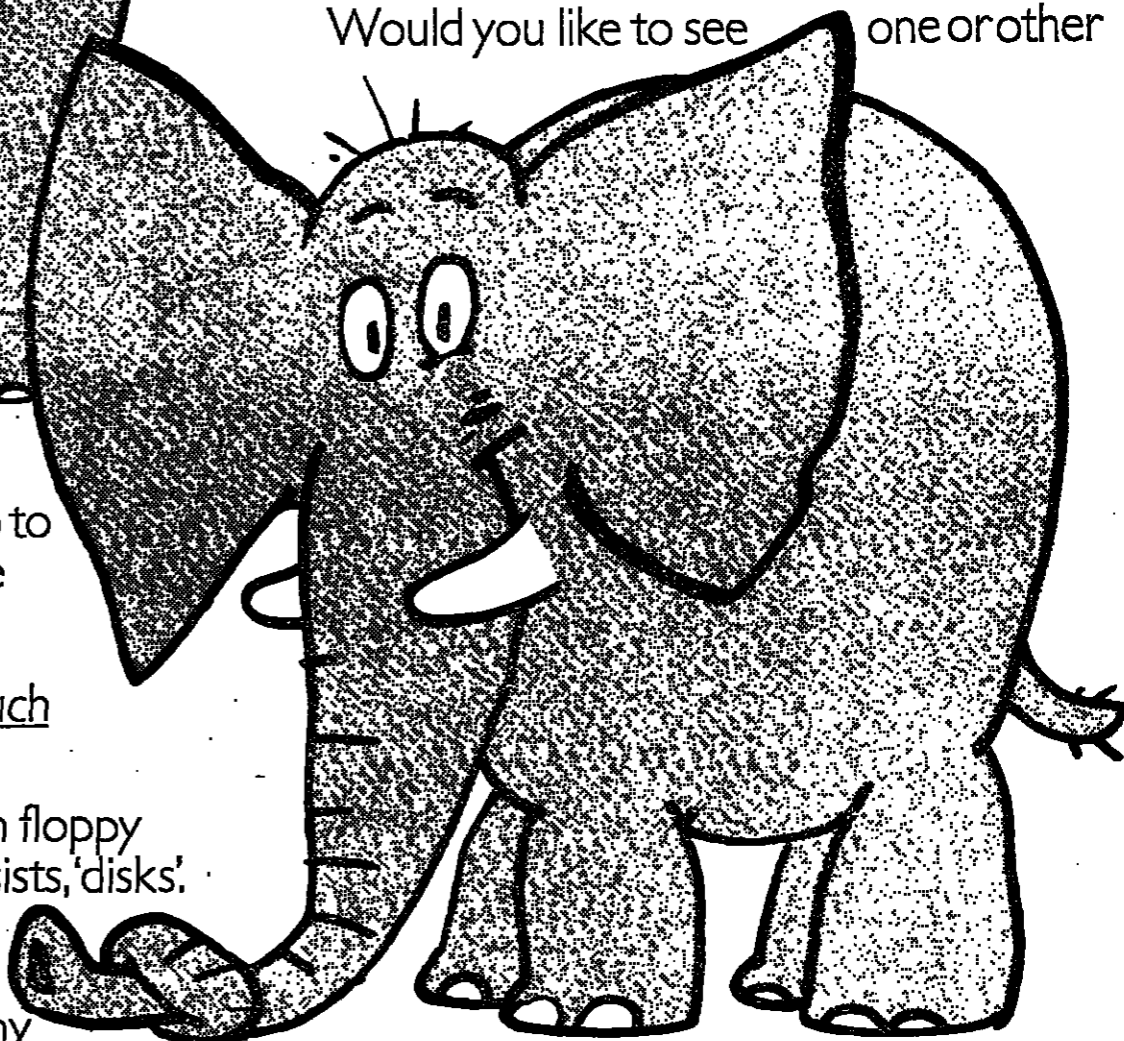
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UK NEWS

THE BUDGET

Cabinet approval for Trident 2 purchase expected today

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT
THE CABINET is expected to approve today a plan to modernise Britain's strategic nuclear deterrent by the purchase of Trident 2 missiles from the U.S.

City analysts give general welcome to economic recovery measures

BY DAVID MARSH
SIR GEOFFREY HOWE'S Budget measures, designed to produce modest economic recovery and single-figure inflation this year, were given a general welcome by City economic analysts yesterday.

Families bear brunt of increases as gas pricing policy shifts

BY SUE CAMERON
GAS PRICE rises for domestic consumers are racing ahead of those for industrial users. For the first time in years, UK householders will soon be paying more per therm than manufacturers.

Clive Jenkins to be axed from board of BNO

BY RAY DAFTER
MR CLIVE JENKINS, the white-collar trade union leader, is being dropped from the board of British National Oil Corporation.

Warning on smaller N. Sea oil fields

BY RAY DAFTER, ENERGY EDITOR
OFFSHORE operators warned yesterday that some small North Sea oil fields might still be left underdeveloped following Budget changes in the oil taxation structure.

UK, said yesterday: "It must be regretted that the Chancellor has not really eased the fiscal burdens carried by operators, especially in the light of falling crude oil prices. Neither has he done anything towards encouraging the development of small or marginal fields."

Price freeze
On the day the industrial gas price freeze comes into effect, householders will face the first of two price increases scheduled for the domestic sector this year.

Chemical industry warns over electricity prices

BY SUE CAMERON, CHEMICALS CORRESPONDENT
ELECTRICITY prices in January for big, high load factor users were still 66 per cent higher than those in France and 30 per cent higher than in West Germany, the Chemical Industries Association said yesterday.

OFT probes free-sheet war

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT
THE OFFICE of Fair Trading (OFT) is to mount another investigation into the bitter marketing war between local newspapers and publishers of free-sheets, it was announced yesterday.

Clearing bank shares fall sharply Quick launch of index-linked gilt stock fund

BY WILLIAM HALL
CLEARING BANKS shares fell sharply yesterday as the stock market digested the implications of the Chancellor's Budget comments about the need to "ensure a proper contribution to tax revenues by the banking sector."

By Eric Short
SCOTTISH Amicable Life Assurance Society, a leading Scottish mutual life company, reacted with astonishing speed to the Chancellor's announcement of the availability of index-linked gilt stocks to all investors.

Metro 'subsidy' denied

BL YESTERDAY rejected a claim by a Tory Euro-MP that British taxpayers were "subsidising the wealthiest people in Europe—the Swiss—to buy cheap Metros."

No stimulus for growth, says Jenkins

BY MARK MEREDITH, SCOTTISH CORRESPONDENT
MR ROY JENKINS, the Social Democratic-Liberal Alliance candidate in the Glasgow Hillhead by-election, said yesterday that the Conservative Budget had failed miserably as an adequate stimulus for the economy.

He would have provided more stimulus for industry and made further cuts in the national insurance surcharge. The Government had accepted that there would be 3m unemployed in Britain for the life of the Parliament, he claimed.

Shake-up planned for System X exports

BY GUY DE JONQUIERES
THE GOVERNMENT is seeking to shake up the export marketing arrangements for System X, Britain's advanced electronic telephone exchange, which has been developed at a cost of almost £200m.

Callous disregard shown for jobless, says TUC

BY JOHN LLOYD, LABOUR EDITOR
THE TUC fished out its instant rejection of the Budget yesterday by accusing the Chancellor of a "complacent and callous disregard for the plight of the unemployed."

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When help is needed, please help him and his dependants
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Teachers put off action in 11 councils

By Ivo Dawson, Labour Staff

THE 240,000-strong National Union of Teachers last night exempted a further nine county councils and two Welsh education authorities from industrial action due to begin today.

The union claimed the councils had joined metropolitan authorities in urging that the deadline for talks be referred immediately to independent arbitration.

However, the Association of County Councils dismissed the claim, saying that if the NUT examined the fine print of the authorities' statements it would see the councils remained committed to further talks at the Burnham negotiating committee.

Most of the 440,000 teachers in England and Wales are expected to stop supervising school meals and other activities outside school hours from today.

The teachers are protesting against the employers' insistence on more talks on its 3.4 per cent pay offer before arbitration begins. The unions have demanded a pay award of between 11 and 12 per cent.

Industrial action was called by all three principal teachers' unions last week after the talks broke down.

The second largest union, the National Association of Schoolmasters' Union of Women Teachers, has instructed its 122,000 members to back the action.

The NUT campaign follows a split in the management side earlier this week when the 1.5-hour-controlled Association of Metropolitan Authorities supported the arbitration call.

The employers will meet to discuss the position next Thursday.

TUC to ease policy on state assets

BY JOHN LLOYD, LABOUR EDITOR

LEADERS OF THE TUC and the Labour Party seem set to face their respective conferences this autumn with proposals to tone down significantly their hard-line policies against paying compensation to shareholders of state assets sold by the Government.

The TUC's economic committee yesterday agreed the broad thrust of a policy which would pay minimal compensation to shareholders, according to one of two sets of criteria. These are closely similar to the two options considered by the Labour Party's home policy committee on Monday.

However, the home policy committee added two further options—one a restatement of the policy of no compensation; the other, put forward by Mr

Tony Benn, would set up a commission to decide on refunds to shareholders using criteria based on need.

It seems likely that a consensus will settle on the option to "pay in compensation precisely what it received at the time of denationalisation," as the TUC background paper puts it.

The paper says: "This global sum would be straightforwardly divided between shareholders, including employee-shareholders holding free shares. While shareholders would keep the dividends they received while holding the shares, they would not be compensated for inflation."

holders at the time of renationalisation—paid for the shares and what the Government originally paid for the shares at the time of denationalisation."

The TUC says that while the state will make no losses as a result of renationalisation, existing shareholders—including pension funds and employee-shareholders—would suffer considerable losses.

The pragmatic tone of the TUC document is extended when it notes that "whatever general principle of compensation for renationalised assets is adopted, in some cases the only practicable option might be to pay the existing share values."

Paint shop strike halts Talbot in Coventry

By Lorne Barling

A STRIKE by 225 men in the paint shop has halted production of Horizon, Alpine and Solara cars at Talbot's Coventry plant and laid off 1,800 workers.

The dispute first arose on Monday when 35 paint sprayers walked out in protest against a management plan to reduce their rest periods temporarily, they returned to work on Tuesday.

However, production at the Ryton, Coventry, assembly plant was completely halted yesterday by a new walk-out and union officials said the stoppage could be prolonged unless the company withdrew its proposals.

Talks with management were taking place late yesterday in an effort to resolve the dispute quickly. Talbot said the trouble arose over plans to introduce a temporary night shift to clear a backlog of cars, which would change the relief pattern of day workers in the paint shop.

The company said the paintshop workers had won an agreement some years ago to have a total of 90 minutes' rest a day, considerably more than other employees, due to their poor working conditions.

This had recently been extended by agreement to 105 minutes a day, and the company was now asking for a temporary reduction of that period to 97 minutes, which had sparked off the dispute.

Management claimed that the men had not followed the required dispute procedure, despite full consultation.

Plessey hit by walk-out

AN UNOFFICIAL strike by 500 hourly-paid workers, mainly women, halted production yesterday at the Plessey Telecommunications plant at Huxton on Merseyside.

Scottish steel plant men agree to resume work today

FINANCIAL TIMES REPORTER

A STRIKE by 3,000 workers which has stopped production at British Steel plants at Ravenscraig, near Motherwell, and Gartcosh, will end today.

After three hours of talks in Dunblane on the dispute, over new manning proposals, an agreement was reached with an immediate return to work under the status quo. Further negotiations on a bonus scheme will be held at Ravenscraig over the next week, involving top-level officials from both sides.

Mr Bill Sims, general secretary of the Iron and Steel Trades Confederation, said: "We have got a satisfactory outcome. There will be a resumption of work under the present agreement and we have also decided that the 'flying squad' of higher-level negotiators will start working immediately.

"They will work every day this week and next week to provide, if possible, an agreement by a week on Friday. It's a shorter time-limit than I would like but I want them to get back to work and I want Ravenscraig to succeed."

Mr Sims added: "The negotiations will be led by my assistant general secretary Roy Evans. We would expect that at the end of that time some of the changes which have been sought will be put into operation."

"It does mean some jobs going. Around 620 in total will go, but not all from my union. It that helps to create the security for Ravenscraig then the whole of Scotland can be highly pleased with the outcome."

Mr Peter Allan, operational managing director with BSC's strip mill products division, said "Bearing in mind the circumstances, I have agreed that there will be a return to work under the status quo in exchange for a commitment from the union side that a full and final agreement will be settled by a week on Friday."

BP refinery workers to challenge 8% offer

BY BRIAN GROOM, LABOUR STAFF

THE GENERAL level of 8 per cent rises in the oil industry's pay round will be strongly challenged by 900 process and manual workers at BP's Grangemouth refinery in Scotland and by 500 Mobil tanker drivers.

The Transport and General Workers' Union at Grangemouth is submitting a claim which will specify a percentage figure above the rate of inflation, and demand a cut in the working week from 39 hours to 37½ hours.

Mr Neil Boner, senior TGWU steward, said the union was particularly determined to secure rises above 8 per cent after failure to reach a productivity deal.

A mass meeting was last night expected to back a recommendation by shop stewards to reject proposed productivity rises which the union puts at between nil and about 5 per cent.

This follows six months of discussions on efficiency changes and a new grading structure. The measures are broadly agreed but the "price" is hotly disputed.

Mr Boner said the proposed rises would inject £160,000 of productivity savings back into the new pay structure. He claimed the package, which includes about 100 job losses, would save BP more than £1m in wages and overheads, without taking account of greater efficiency.

Industrial action was threatened last year if management did not renegotiate the 18-month pay deal.

Bank union pay ballot

BY BRIAN GROOM, LABOUR STAFF

CLERICAL and managerial members of the Banking, Insurance and Finance Union are to be offered a choice between accepting the final 8.5 per cent pay offer from the five English clearing banks and holding a one-day national strike.

Bifu will make no recommendation in a postal ballot of its 70,000 members in these grades. But it will make clear on the ballot form that rejection means a 24-hour stoppage, with the prospect of further strikes.

The offer, which includes improved holidays, has been accepted without a ballot by the rival non-TUC-affiliated Clearing Bank Union. This comprises the staff organisations at Barclays, National Westminster and Lloyds.

The result of the ballot, which begins on March 16, will be known on April 1. That is the annual settlement date for the talks, which cover clerical grades one to four and the minimum managerial salary. The timing was chosen partly to avoid prejudicing the outcome of arbitration at Barclays Bank International over an 8.5 per cent offer, and Standard Chartered Bank, on a 7.25 per cent offer. These are due to take place later this month.

Tebbit urged to amend Bill

BY OUR LABOUR EDITOR

REPRESENTATIVES of business and right-wing groups yesterday urged Mr Norman Tebbit, the Employment Secretary, to amend the Employment Bill to make employers and unions stock to agreed disputes procedures.

The group, led by Mr George Gardiner, MP, asked Mr Tebbit to accept an amendment which has already been tabled during the Bill's committee stage.

Mr Gardiner said after the meeting: "The amendment provides that where employers and trade unions have voluntarily agreed to go through a procedure for resolving disputes, then both sides should stick to it."

Where no agreed procedure exists, the parties should go for conciliation. If strikes took place before the procedure had been exhausted, then the legal immunity of unions would not apply.

However, Mr Tebbit is not expected to agree to the amendment. He is in favour of employers and unions working out ways of buttressing agreements, but is not expected to put the force of law behind such arrangements at this stage.

The group lobbying Mr Tebbit included the Institute of Directors, the Contractors Plant Association, the Centre for Policy Studies

Times jobs cut talks break up

TALKS BETWEEN Times Newspapers and leaders of the machine assistants broke up without agreement last night.

The company said it would write to the National Society of Operative Printers, Graphical and Media Personnel Chapel (office branch) with a new set of proposals for reducing manning levels.

The employers will meet to discuss the position next Thursday.

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THE WORLD OF APPLE IS JUST A FEW STEPS AWAY

Advertisement for Apple Computer. It features a large headline, a list of Apple dealers across the UK, and a coupon for requesting more information. The coupon includes fields for Name, Establishment, Position, and Address, and a section for 'Please tell me more.' It also features an image of an Apple computer terminal.

UK NEWS = PARLIAMENT and POLITICS

Brittan accused of 'misleading the House' on Budget

Commons Sketch

Rab Butler joins pantheon of the great

LORD BUTLER of Saffron Walden—Rab Butler, who died on the eve of the Budget—was elevated to the pantheon of great parliamentarians in the Commons yesterday with polished tributes being paid to his memory.

Rab was above all the great master of ambiguity. So perhaps it was not surprising that the leading speakers, whatever their political viewpoint, confidently implied that he was one of their own.

Looking back on the Budget of 30 years ago, Mrs Thatcher seemed to remember him as an early exponent of that financial prudence which is supposed to be the characteristic of the present-day monetarists.

Mr Michael Foot, the Opposition leader, chose to see him as the "original wet" of the Tory Party. The sort of chap who presumably would not be averse to the ERM relation being proposed by Mr Peter Shore, Labour's Shadow Chancellor.

Not surprising this, from a politician-cum-author who in his book *Debts of Honour* almost managed to make Disraeli seem like a radical who would not have been out of place in today's Militant Tendency.

Naturally enough, Mr Jo Grimond, speaking for the Liberals and their Social Democrat allies, was equally certain that Butler had been the great exponent of moderate, consensus politics. We were left with the clear impression that his natural place today would have been among the members of the new Alliance.

One thing is certain. Rab has joined the august company including Disraeli, Balfour, Baldwin and Iain Macleod whose names are used to support the arguments of the various economic factions at Westminster.

Mrs Thatcher described Rab as "the patriot, scholar and statesman" who was the major intellectual force that reshaped Conservative policy in post-war Britain.

Pointedly she recalled that he had concluded his 1952 Budget with the words: "We must now set forth a broad and resolute to show the world we will regain our solvency and, with it, our national greatness."

Mr Foot took the House on a fascinating trip down memory lane, describing how he had advised Butler not to call his biography *The Art of the Possible* but instead *Prime Minister*. "With his usual modest courtesy, Rab had declined."

Mr Foot, no mean hand at political biography himself, summed Rab up in a memorable phrase — "the master of the compliment that kills, of the embrace that can suffocate. He could make a stab in the back appear like a caress."

Mr Grimond saw Butler as the man who applied the teachings of Keynes to practical economics. He was "the patron saint of the doctrine of responsible capitalism and the mentor of those who try to manage the mixed economy."

He recalled a typical incident when he tried to invite a reluctant Rab to dinner on a Wednesday night. After inscrutably studying his diary, Butler replied obliquely: "If you had asked me on Tuesday, I could not have come."

As Mr Finch Powell observed, the fellow was certainly the master of the backhanded compliment which became known as the "Rabism."

Turning up the old pages of Hansard, one finds in fact that Butler's much-discussed 1952 Budget bears uncanny resemblances to the new Budget which is now being debated by the Commons. There were income-tax cuts of £2m-£5m which were offset by a reduction in food subsidy, a 7½p increase in petrol duty, and a rise in the entertainment tax on cricket and football.

After vehement protests about the sports tax, Butler agreed to postpone the increase—but only until after the end of the cricket season. Now there's a Rabism for you.

John Hunt

Fire tests on prison bedding

SAFER mattresses and protective hoods are being tested by the Home Office in a bid to cut down fire risks in British prisons, Lord Belstead, Home Office Under Secretary, said yesterday.

His announcement came against the background of recommendations by an investigating panel to cut fire risks in mental hospitals.

Lord Belstead told the Lords that five different types of mattress more fire resistant than polyurethane foam and two types of protective hood which would be used by staff to rescue prisoners from smoke-filled cells, were being tried out.



Peter Shore: "Budget fraud"



Leon Brittan: position undermined



Jack Straw: tried to intervene

BY IVOR OWEN

TREASURY MINISTERS were forced on to the defensive over the Budget in the Commons last night, when Labour MPs insisted that, despite the introduction of higher personal allowances, the average family man on average earnings will be paying more income tax and National Insurance contributions in the coming financial year.

Repeated charges of "misleading the House" were levelled at Mr Leon Brittan, Chief Secretary to the Treasury, when he claimed that the overall effect of the increase in tax thresholds announced by the Chancellor and the increase in National Insurance contributions operating from April 1 would be beneficial for individual taxpayers.

A barrage of protests from the Labour benches, including a shout of "You know it is not true," halted him in his tracks.

Anger on the Labour benches mounted, as Mr Jack Straw, an Opposition Treasury spokesman, to intervene to make a direct challenge.

The floundering Chief Secretary found his position

further undermined when Mr Nicholas Ridley, the Financial Secretary, left the Treasury bench to consult senior officials occupying the civil servants' box on the floor of the House.

Labour MPs asserted that Mr Ridley was engaged in a rescue mission. "The bugles of the Fifth Cavalry are sounding," said Mr Peter Shore, Labour's shadow Chancellor.

But when Mr Ridley returned to his original place on the Treasury bench, Mr Brittan ignored Labour attempts to discover the message he had brought back with him.

Mr Shore, giving the Opposition's detailed response to the Budget, accused the Chancellor of having indulged in "bluff and fraud."

A skilful presentation, which had taken in scullible Tory back benches, had suggested that the Budget contained benefits for job, industry and people through tax cuts.

The reality, he contended, was that only those earning over £20,000 a year would gain from the changes in direct taxation made in the Budget.

To Labour cheers, Mr Shore

scolded: "So much, then, for the Budget for the people."

He also maintained that the tax changes designed to help industry fell far short of those which had been urged by both the TUC and the CBI.

Since the present Government took office in May, 1979, he said, Britain had lost something like 30 to 35 per cent in international competitiveness.

Mr Shore said he would be surprised if the measures announced by the Chancellor would restore as much as 3 per cent of that lost competitiveness.

He suggested that overall the Budget was probably neutral on taxation.

On public expenditure, the Chancellor had been forced to make cuts in order to cover the recessionary costs, including the growing amounts paid out in unemployment benefit.

Mr Shore maintained that on the Government's own forecasts unemployment was likely to rise by at least another 300,000 during the course of 1982. Mr Shore argued that the message coming from the Budget was that the Government now regarded a total of 3m unemployed as normality for the

British people in the 1980s.

Although unemployment on this scale had been brought about by Government economic and monetarist policies, it appeared that it was intended to continue those policies into the indefinite future.

No-one in the Cabinet, from the Prime Minister downwards, had even a medium-term commitment to the restoration of full employment.

Mr Shore urged the adoption of Labour's alternative strategy with its emphasis on increasing demand.

Mr Brittan stressed that it had not been the main purpose of the Budget to provide a series of tax concessions to individuals.

The measures of assistance which the Chancellor had been able to announce were concentrated on industry and business in order to assist growth, assist the development of the economy and assist the recovery from the present levels of unemployment.

Mr Brittan confirmed that the Government expected some fall in unemployment before the end of March 1983, but accepted that there was no prospect of an immediate fall.

Cost of British citizenship to rise by £50

Financial Times Reporter

THE COST of becoming a British citizen is to rise by a third, Mr William Whitelaw, Home Secretary, announced last night.

He told the Commons that from April 1, the fee for certificates of naturalisation granted to foreign nationals and the registration charge for Commonwealth citizens settled in Britain since January 1, 1973, would go up by £50 to £300.

Fees will also have to be paid when applications are made rather than when they have been approved.

"Every application received in the Home Office on or after April 1 must be accompanied by the appropriate fee, but if, after examination, an application cannot be accepted or is not approved the fee will be refunded."

The increase takes place under the British Nationality (Amendment) regulations laid before Parliament yesterday.

The fee for other forms of registration for adults, including women registered on the grounds of marriage to citizens of the UK and colonies, goes up from £50 to £70; and the fee for children rises from £25 to £35.

Nationality fees were last changed in April 1980. The increases are intended to cover the cost of processing applications, and to ensure that the service is self-supporting.

Mr Whitelaw also hopes to reduce the time taken to deal with citizenship applications.



David Howell

centrate on the investment of the railways.

Jenkins outlines Scottish decentralisation plans

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MR ROY JENKINS outlined plans for decentralised government for Scotland, Wales and the English regions yesterday.

It was a key policy statement for Mr Jenkins in his campaign as the Social Democratic/Liberal Alliance candidate in the Glasgow Hillhead by-election.

His ideas put flesh on existing Social Democratic Party proposals for devolution. Mr Jenkins, speaking to staff at the Scottish Council for Educational Technology, said Scotland would receive special treatment.

The Alliance was committed to the integrity of the United Kingdom and "our policy is to strengthen the political and economic unity of the kingdom by establishing a successful and effective system of decentralisation."

Mr Jenkins, who told reporters earlier this was not a prominent issue among electors he had spoken to, preferred to use the word "decentralisation." This was perhaps because he felt the more established word "devolution" had been muddled by the defeat of plans for devolution in the 1979 referendum.

The system of regional assemblies was part of an overall scheme, but did not mean Scotland would have to wait for development in the rest of the country, or that the Scottish Assembly's scope necessarily would match those of the other assemblies.

"It will almost certainly be appropriate to invest a Scottish assembly with a somewhat wider set of powers than those acquired by the English regions."

The principles were to guide the framework for decentralisation. First, decisions should not be taken at a high level of Government if they could with equal or greater effectiveness be taken at a lower level.

Second, maximum freedom over purely Scottish affairs would prevent interference by Westminster.

Third, workable and fair methods would have to be established to minimise the conflict between the various levels of government.

Mr Jenkins said the assemblies would be elected by proportional representation and have legislative power in local government and finance, as well as other regional affairs such as health, education, housing, roads and transport, agriculture and fisheries, water supplies and sewerage, town and country planning and social services.

A new approach to regional economic development was necessary. There was increasing evidence that the system of grants and financial aid from Westminster had failed.

"In my view, the way forward is through a system of development agencies, backed by staff, client powers and finance to help indigenous industry with long-term potential."

In Scotland this would mean bodies such as the Scottish Development Agency having wide powers of planning with access to enough finance to have an impact on economic development.

Strikes 'have hit BR plans to electrify'

BY LYNTON McLAINE

ELECTRIFICATION of British Rail main line routes has been delayed by the recent train-drivers' strikes. Mr David Howell, Transport Secretary, told MPs yesterday.

Plans drafted by British Rail and the Transport Department depended on steady growth in freight and passenger traffic.

"The British Railways board must now look again at traffic forecasts based on assumptions which are now in question as a result of the pointed, senseless and self-destructive resistance by the Associated Society of Locomotive Engineers and Firemen to higher productivity," Mr Howell said at Commons question time.

He expected Aslef to "meet the needs of the railway system, which had been fully recognised by all the other rail unions."

Mr Roger Moate (Con. Faversham) said rail electrification was "absolutely essential, but to secure the investment programme we must get agreements on flexible rostering and commitments to single manning."

Mr Howell said in a statement after publication of the Public Expenditure White Paper that the Government had agreed to a British Railways Board request "to set in hand a review of railway finances to be conducted under an independent chairman in the light of the deterioration in BR's finances."

The Government "cannot" intervene in the Sealink dispute at Holyhead, Mr Reginald Eyre, Transport Under-Secretary, said. "Sealink must conduct its own industrial relations."

Mr Keith Best (Con. Anglesey) said B and I's introduction of a ferry service could affect Holyhead's future. "If this becomes a matter of negotiation between the British and Irish governments, will the Government see everything possible is done to make sure Holyhead continues as a viable port?"

Mr Eyre said Mr David Howell had already tried to bring Sealink and B and I together.

Sealink staff blocked the entry of the first B and I ferry on Monday, saying it would put Sealink's service and jobs at risk.

Mr Frank Dobson (Lab. Holborn and St Pancras) said the proposed sale of Sealink UK would mean the export of shipyard jobs.

Mr Eyre said Sealink was no longer valuable to British Rail and was a drain on resources.

"If Sealink were transferred to the private sector, it would have access to private investment which would be very desirable to its future."

"There would be a great advantage in the public sector because it would leave BR without the problem of finding funds for Sealink so that it could con-

Opponents of Lloyd's Bill to petition Lords

BY JOHN MOORE, City Correspondent

OPPONENTS of the Lloyd's Bill for improving the insurance market's self-regulation were yesterday planning the next stage in their campaign to force changes in the proposed legislation.

The Bill was given a Third Reading in the Commons on Tuesday. It now goes to the House of Lords, but one Lloyd's underwriting member, Mr Nick Parker, has already instructed parliamentary agents to draft a petition.

Mr Parker opposes the establishment of two electorates at Lloyd's for future voting in internal elections. The Bill proposes that a new Lloyd's council should be formed of working and non-working members of the market. Neither category would be allowed to vote for the other.

Another petition is planned by Alexander Howden Group, the financial holding company with large Lloyd's broking and underwriting interests. Howden is opposing the mandatory sale of broking, underwriting links with underwriting interests and is expected to petition the Lords seeking modifications to the clause calling for divestment.

Mr Malcolm Pearson, chairman of a small Lloyd's broking company, is expected to petition against an immunity clause which will protect the new council from suits for damages by members of Lloyd's.

All the opponents of the Bill will have to ensure that their petitions are lodged with Parliament over the next 10 days under the procedures governing private Bills.

Prior hopes for Haughey meeting on Ulster soon

FINANCIAL TIMES REPORTER

MR JAMES PRIOR, Northern Ireland Secretary, wants to meet Mr Charles Haughey, the new Irish Prime Minister, "as soon as possible" to continue the Anglo-Irish talks.

This follows Mr Haughey's announcement in the Dail (parliament) that solving Northern Ireland's problems would be his Government's first priority.

Mr Prior said yesterday that he would have none of the secrecy which surrounded talks between the two governments when Mr Haughey was last in power.

"I think it is tremendously important that all these talks should be conducted in a very open manner. I don't want to see any secrecy surrounding them," Mr Prior said during a tour of Co. Down.

It was "the secrecy surrounding the original talks with Mr Haughey that perhaps gave such a wrong impression in the North and caused the fears that were there."

He hoped his meeting with Mr Haughey would be "fairly soon."

There have been two meetings between the British and Irish premiers to discuss relations between the two countries and the future of Northern Ireland. The first was in Dublin with Mr Haughey and the second in London with Dr Garret FitzGerald, the former Prime Minister.

Discussions on joint economic projects have continued at civil service level and resulted in proposals on energy. It is suggested Irish natural gas be piped across the border to the North in return for electricity.

The news blackout on details of the London talks and the two governments' differing interpretations on their importance in relation to Northern Ireland led to Loyalist claims of a British Government sell-out.

The outlawed protestant paramilitary Ulster Volunteer Force has warned that it would "take steps" to ensure Mr Haughey's reign was "short lived" if he meddled in Northern Ireland's affairs.

Whitelaw announces Terrorism Act review

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE GOVERNMENT is to set up a review of the Prevention of Terrorism Act similar to that carried out by Lord Shackleton in 1978, which could lead to a relaxation of the provisions under which suspected terrorists may be detained.

Mr William Whitelaw, Home Secretary, announced the review yesterday in a written answer to a Parliamentary question. He was expected to give details of the review, such as who will carry it out and the terms of reference, during a Commons debate later this month, when the Act comes up for renewal.

The Act was introduced in 1974 after the Birmingham pub bombings, and is renewed annually. It lapses on March 24.

This year, many Labour members are to oppose its renewal on the grounds that sufficient provisions to deal with terrorists are contained in other legislation, such as the Emergency Provisions Act, and that only 377 of these have been charged with offences, only 92 with offences specifically under the Act, and only 75 convicted.

Mr Roy Hattersley, the shadow Home Secretary, has already signalled that he will oppose the Act's renewal, in line with decisions taken at last year's Labour Party conference.

In announcing the review, Mr Whitelaw is clearly trying to defuse Labour's opposition, and appeared yesterday to have had some success. While the Government has no intention of dropping the Act altogether, it may be prepared to relax certain measures.

Recent successes in uncovering IRA activities in Northern Ireland, heavily assisted by IRA informers and with the co-operation of the Dublin Government, may encourage the Government to take a more relaxed attitude to some of the Act's more draconian provisions.



William Whitelaw: review intended to defuse opposition

What do wine drinkers look for?



Shippers they can trust.

How can a label help you choose a good wine? It can tell you the type of wine, but not whether it is from the right source. The Appellation and the Vintage, but not the care taken in its fermentation and its maturation. The producer, but not how it is blended and bottled.

The shipper's name alone is your guarantee. Bouchard Aîné assure you of a high standard. Our name has maintained its reputation because we expertly select and carefully ship only the finest wines.

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AFTER THE BUDGET

How the arithmetic can mean all things to all men

IN THE few minutes between "Jazz in Britain" and a Sibelius concert at 11 pm Tuesday, BBC Radio Three informed listeners that the Chancellor had raised the cost of petrol, drinking alcoholic liquor and smoking.

The Budget figures actually mean. This year the confusion appears to have been deliberately fostered by the way in which the Treasury has done its arithmetic. This was the failure to mention anywhere in the Financial Statement and Budget Report—FSBR—for in the Chancellor's speech that employees' national insurance contributions are actually going up in April.

As a result of the Treasury's conventions for drawing up the Budget statement this increase in employees' contributions is lost in the confusion of "existing" tax policies. The effect on the total revenue forecast for 1982-83 is not shown, although the effect of the 1 per cent cut in the employers' national insurance surcharge is shown.

official figures. Which you choose depends only on the definitions you favour. Yet another and perhaps more comprehensive way of looking at the Budget would be to say that the public sector borrowing is scheduled to fall by £1bn (or 1/2 per cent of output) next year, thus tightening the fiscal stance.

"Chancellor gives away £34bn." However perceptions—and the law—have changed, mainly as a result of the high inflation rates of the 1970s. Now, even if the Chancellor merely stood up and said: "I make no changes this year," his income tax revenue would automatically be about £2bn (in current values) less than it otherwise would have been because of the famous "Rooker-Wise" amendment to the 1977 Finance Bill.

which make the tax system fully indexed, provide a new baseline for revenue calculations which is now becoming more accepted. Starting from this base, the FSBR calculates the direct effect of Tuesday's Budget on 1982-83 revenues will be £1,555bn. Against this should be set £300m which will be clawed back from the public sector to offset the cut in the National Insurance Surcharge.

consistent. However there has been a general move for some time to regard an indexed base as more realistic for assessing changes. Against this it must be said that the new emphasis of planning public expenditure in cash terms raises many fruitful areas for confusion. The cash plans for future years' spending are based on somewhat arbitrary inflation assumptions, but are not indexed. Revenues, on the other hand, will rise automatically with inflation.

As a result it will become more difficult than in the past to estimate a Budget stance in "real terms." Every cash figure mentioned needs always to be measured against the steadily shrinking value of the pound. The only remedy is alertness.

Max Wilkinson

INDUSTRY

The lion's share of the concessions

TWO major policy decisions in budget provisions for aid to industry contained in the Budget and in the public expenditure plans published this week. The first is a reluctant acceptance by the Treasury that the concession has eaten far more deeply into nationalised industries than had been expected. As a result the industries are far less ready than had been hoped to finance their requirements from their own resources. They are now budgeted to cost the Government a total of £5.5bn in external financing during the next two years instead of the mere £300m estimated last year.

1980-81 to £2.1bn in the current year, partly because of heavy spending on "lame ducks" such as BL and Rolls-Royce and on British Steel redundancies payments. But the Government is still sticking to its plans for a faster cut in this support than in the main nationalised industries. Having spent £598m in 1980-81 and £1bn this year on the broad lame duck category, it is budgeting £608m in 1982-83 and then a nominal £60m in the following year with nothing even vaguely estimated publicly for 1984-85 even though Rolls-Royce is expected to need extra support in addition to the £91m this has been allocated for 1982-83.

although this is again only a rough estimate and may well be substantially exceeded. Spending on regional factory development is also budgeted to fall—from £45m in 1981-82 to £23m in 1982-83—mainly because the state-owned English Industrial Estates Corporation has reduced its major factory building programme in response to the depressed industrial property market. Spending on small factory units is, however, expanding.

THE CHANCELLOR commented during his Budget speech that if public spending was the proper engine for growth and jobs Britain would now lead the world in both, whereas in fact unemployment as eight times higher than 20 years ago. Nevertheless, the Public Expenditure White Paper shows the extent to which the Government has decided it might be worth having the engine running at something more than tick-over in 1982-83 with a squeeze in the two years after that.

FORWARD PLANNING Just a light touch on the accelerator. The Chancellor's Budget speech that if public spending was the proper engine for growth and jobs Britain would now lead the world in both, whereas in fact unemployment as eight times higher than 20 years ago. Nevertheless, the Public Expenditure White Paper shows the extent to which the Government has decided it might be worth having the engine running at something more than tick-over in 1982-83 with a squeeze in the two years after that.

LOCAL AUTHORITIES Council spending plans remain out of touch with reality. EVERY YEAR the section of the public expenditure White Paper least in contact with reality always turns out to be the part dealing with local councils. The fact that this is so time and time again is strengthening the view of several analysts that only central government grants have any place in the paper, and that rates should be omitted.

account for 24 per cent of all public expenditure, about the same proportion as last year. The plans imply that current expenditure relevant for grant will rise by 4 per cent in 1982-83 and 3 per cent in 1984-85. Capital expenditure, excluding housing, will rise by 2 per cent in 1983-84 and 3 per cent in 1984-85. There is no indication as to which areas might be expected to bear the strain of the implied substantial economies. There is no doubt that all the figures, already out of date, will be revised in the autumn. The white paper remains of little value therefore for any attempts at medium term forward planning.

Robin Pauley

SPACE, OPTICAL COMMUNICATIONS

Funds for research into satellite sensors

THE Industry Department is to increase its support for space technology by £5m annually for the next three years. It will also step up funding for research work on optical fibre communications and optoelectronics.

Mr Patrick Jenkin, Industry Secretary, said much of the additional space spending would be used to back research into remote sensing devices, which enable satellites to gather information about activities on earth. The devices have a wide range of scientific and commercial applications, including assistance for meteorological forecasting, maritime navigation and agriculture and the detection of movements of shoals of fish.

satellite designed to transmit both telecommunications and broadcasting signals. The amount of extra funding for research into optical fibres and optoelectronics has not been finally decided. It will depend on how the £5m increase in spending for information technology and electronics is allocated between different projects.

far, the money has been allocated for individual projects. The Department said yesterday that it wanted to encourage more collaborative ventures between companies, particularly in the field of optoelectronics, the technology used to transmit and display information in the form of light.

John Elliott

SOCIAL SECURITY

Keeping to the legal minimum

THE FULL package of increases in social security benefits, due to come into force in the week beginning November 22 1982, was unveiled yesterday by Mr Norman Fowler, Secretary for Social Services.

Table with 3 columns: Benefit Name, New Rate, Old Rate. Includes Retirement and widows' pension, Invalidity pension, Unemployment and sickness, etc.

Mr George Dunn, general secretary of the National Federation of Old Age Pensioners Associations, does not believe the Government's inflation forecast and feels that once again the pension increase will fall short of the final inflation figure.

Eric Short

INTERNATIONAL IMPLICATIONS

Why index-linking arouses suspicion

MRS Margaret Thatcher's Government prides itself in being in some ways a revolutionary one. And one of the most striking features of Tuesday's Budget—the move to lift all restrictions on sales of index-linked government bonds—is certainly a bold stroke.

Geoffrey's good intentions, there are several reasons why the Treasury's innovation may invite some suspicion abroad. Some of the more conservative EEC countries are implacable opponents of indexation of savings instruments. West Germany, in particular, sees this as the thin end of the wedge which could lead eventually to institutionalising inflation in the economic system.

more exposed to selling on the exchanges as a result of Sir Geoffrey's move. Foreign exchange dealers yesterday commented that the index-linking move was helping to buoy sterling, compensating for the unfavourable impact abroad of the sharp raising of the Government's monetary targets. Foreign investors were among the flood of buyers of unrestricted index-linked stocks yesterday morning.

David Marsh

BOILER CONVERSION

Moves to boost coal warmly welcomed

THE EXTENSION of the grants scheme to six industry's conversion to oil boilers has been warmly greeted by the National Coal Board and most boiler makers. But they are worried that grants of 25 per cent of a project cost will not be enough for cash hungry companies wanting to switch from oil and gas.

market for shell boilers, said it was disappointed that the public sector is not covered by the grants. Mr Frank Ball, chairman and managing director, said he was "amused" that the Government wanted private industry to do its job for it. "If it wants to keep miners in their jobs and to cut oil consumption, then the public sector should lead the way," he said.

Maurice Samuelson

JOBS COLUMN

Where 'friends' truly mean more than money

BY MICHAEL DIXON

"YOU WANT to know how many jobs for skilled people we have vacant," the man said slowly. He pondered for some seconds then continued: "The number must be 2m. I think, approximately you know."

Before readers reach for pen and paper ready to start applying, there is something that they too should know. The vacancies are in the Soviet Union where the Jobs Column has spent the past fortnight visiting Moscow, Tbilisi in Georgia, Riga in Latvia, and Leningrad. When covering so much ground in so little time it is impossible to form more than sketchy impressions, based much on hearsay. Nevertheless certain definite patterns seemed to emerge.

One was that everywhere people met officially mentioned the United Kingdom's high unemployment. They usually contrasted it, sometimes with the trace of a smug smile, with what they represented as the Soviet Republic's plethora of opportunities for human skills. But I was not confined to official conversations, for I speak not only Russian but Georgian and Latvian as well. Admittedly I know no more than half a dozen phrases in each language—please, thank you, all the best, I'm sorry, and variants of hello and bye-bye. But that proved enough to generate a good deal of information. For example, when I was

standing wondering where to walk next in Tbilisi a man came up and said something incomprehensible. He was stocky and while dressed like a professional person, had an aggressive eye and a fierce moustache. So I gave him the Georgian formula for good-morning and, since his eyes only narrowed, added all the best. If he had continued to growler, I would have thrown in the I'm sorry for good measure, followed smartly with bye-bye.

But he didn't. Instead he broke into a wide smile and, leaning nearer, asked: "Are you English?" When I nodded, he said: "Come, we'll walk and talk a little." And we continued walking and talking even after I had assured him that I was not carrying any sterling or United States dollars.

"You have much unemployment in England," he said. "But we have none in the Soviet Union." Thereupon I naturally expected a replay of the superiority tape. But it was not to be.

"The reason is simple," he went on. "For every job we have four people. One sleeps. The next does the work. The third undoes what the second has done. And the fourth does it again."

So it seems that the Soviet Union's alternative to severe unemployment is overemployment which may well be even more severe. For it exists

alongside evidently critical shortages of skilled workers, particularly those who are both bright and young.

The problem is partly unavoidable because youngsters due to start work in the next few years are the children of an age group itself thinned cruelly by the Second World War. But the shortages are exacerbated by other factors, not the least of them the continuation of two years' compulsory military service for young men.

The authorities try to counter the problem in various ways. For instance, squads of soldiers can be seen doing municipal work such as laying cables on a scale which, if copied over here, would be resented, to say the least, by the National Union of Public Employees.

Bonuses

Bonuses of up to 30 per cent of salary are offered to workers who, by acquiring extra skills, enable their department to function with fewer people. All workers deemed capable of it are required to undergo further training courses regularly every few years.

Efforts are in hand to improve the attractiveness to young teenagers of the vocational schools, which in addition to providing general education to the set State curriculum,

train students in dressmaking, machinery operations and hundreds of other similar activities. This is the only form of teaching which since 1965 has gained an increased share of the Soviet Union's gross national product—up from 0.8 to 0.9 per cent.

Propaganda as well as improvements in the material conditions of the vocational schools and their students seem to be increasing these schools' intakes and outputs.

The human products are apparently not altogether satisfactory to employing organisations, which are obliged to employ the quota of students trained nationally to each organisation's needs. Today's young people have been brought up amid relative prosperity, the USSR's gross national product having evidently almost tripled since 1965. They resemble their counterparts in the West in expecting something easier from adult life than repetitious training and hard industrial or agricultural work.

The tendency to shy away from productive jobs is most marked, as it is over here, among the academically more successful youngsters. These who also tend to be the children of parents in the equivalent of professional occupations—face severe competition for admission to degree-level studies particularly in the humanities. But they prefer to try and try again

for acceptance than to enter the more practical training system whose Russian initials are sometimes represented in graduate quarters, as standing for: God finds things for the stupid to do.

Officials seek to correct the preference for degree studies and the less physically taxing jobs they guarantee by controlling salary differentials.

Doctors and teachers who are predominantly women, and engineers and such who remain predominantly men (there seems to be no nonsense about abolishing sex-stereotyping in Soviet society) do fairly well to have a salary of 200 roubles a month. At the official exchange rate that is around £160 and while rents and so on are very low, the costs of adult clothing and food are high. By contrast, workers in the mines, on farms and the like can earn up to twice as much.

So what explains the persistence of the more academically inclined youth for what the West would call middle-class occupations? I asked my Georgian friend.

Well, he replied, such jobs were more satisfying to a thinking type of person. They also offered greater opportunity to find work in a wider variety of places in the USSR, or even outside it where a two-year tour can result in savings sufficient to buy a car and a co-operative

dwelling rather than one rented from the State with virtually no right to continuing tenure.

Then for a man who took a degree course and did part-time army training, there was the advantage of doing his military service as an officer. Women with higher education were more in demand on the marriage market.

And there was something else, I was told. A careful look at the weight of young people's applications for different kinds of higher educational courses would show significant changes since 1965. At that time there were many applicants for student places in engineering and science, and few for the institutions which train people for commercial jobs such as retail management. Today the balance is the other way round. In addition, dentistry seems to be far preferred to medicine as a career.

"Look," the man added, pulling from his plastic bag a newly bought dressing gown. "That is for my dentist because I care for my teeth." Putting it back, he then produced a big box of chocolates. "That is for the head of the food department in my neighbourhood store. For most of us, the things we want cannot be bought with the money we're paid. So we have a saying: 'What matter how few your roubles if you have many friends.'"

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Peat, Marwick, Mitchell & Co.
Executive Selection Division

CHIEF STATISTICIAN

The National Economic Development Council is a tripartite body concerned with the economic performance of the UK. The National Economic Development Office provides the secretariat and support staff for the Council, Industry Economic Development Committee and Sector Working Parties.

The Chief Statistician, who reports directly to the Economic Director, is responsible for the organisation and delivery of statistical services to the whole of the NEDO organisation, including operation and development of EDP systems for data storage, analysis and research. He must ensure that the Statistics Section anticipates and develops new statistical sources and services as required, and in addition must maintain and develop contacts between NEDO and statistical interests in government, industry, research agencies and academic institutions. Effective management of the staff of 15 and all associated facilities is an essential part of the responsibility of the post. Briefing for the Directors of NEDO on statistical matters is also frequently required. Ideally the successful applicant will, in addition to being a fully qualified statistician, have considerable experience with a wide range of statistical sources, a proven record of effective management and familiarity with EDP. Competence in the economic/econometric field would also be advantageous.

The starting salary is £18,772 rising to £21,982 including London Weighting.

NEDO will also consider applications from those wishing to work with the Office for a specific period eg. on secondment or while on leave of absence from their parent organisation. Requests for application forms to be returned not later than 27th March 1982 should be made to:

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Please reply in confidence giving concise career and personal details and quoting Ref. ER 534/FT to P. J. Williamson, Executive Selection.

AMS Arthur Young Management Services
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Institutional Sales U.K. to Europe £12,000 to £22,000

Our client is a major U.K. firm of Stock-brokers who have gained an excellent reputation through professionalism. In addition to considerable Corporate, Private Client, and Gilt business they have developed a first class equity research product. The firm now seeks a high calibre individual to play an important role in the further development of their European activities. The successful candidate will be aged 25 to 32, with a sound track record in U.K. equity institutional sales. Experience of advising European clients and a knowledge of French and/or German will be an advantage, but not essential. The position will involve working closely with the European partner in servicing and developing business in France, Germany, Switzerland and Holland. It is envisaged that this will appeal to an ambitious person who now seeks greater scope through joining a small expanding team in a leading firm. Please contact F.J. Stephens or S.J. Emberton who will treat all enquiries in the strictest of confidence.

Stephens Associates

International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

Lending to the Far East c £20,000 + Benefits

Our clients, a leading Accepting House, wish to employ an individual of exceptional ability as Assistant Director level in their team responsible for leading to the Far East, India and Australasia. In addition to the lending role, this person will also have responsibility for marketing the full range of financial services offered by the bank. While based in London, considerable travel will be involved. Candidates will be aged 27 to 35 and have had several years' experience of international lending and a sound credit analysis background. They must have the style and presence to carry the name and authority of the bank and also be sufficiently accomplished technically to arrange the implementation of transactions negotiated. Familiarity with Australasia and India would be a strong advantage. This is a responsible and demanding post which would suit an ambitious, personable and intelligent individual who is prepared to work extremely hard for a bank which will recognise and reward success. Please contact Edward Dawney

Philippa Rose & Partners Limited
18 Eldon Street
London EC2M 7LA Telephone:
01-583 5196



BARCLAYS MERCHANT BANK CORPORATE ADVICE

Continued growth of the Corporate Advice activity has resulted in vacancies for additional executives. The ideal candidates will be aged 26-32, have relevant professional qualifications and have had at least two years' merchant banking experience.

Applicants should write, enclosing a curriculum vitae, to:

The Staff Director
PO Box 188
15/16 Gracechurch Street
London EC3



BARCLAYS

Managing Director North Midlands • Negotiable around £20,000

for a profitable £6m. turnover company (employing some 400 people and part of a successful public group) supplying ranges of products to a variety of leisure and other outlets.

The MD's priorities are to create and exploit new marketing opportunities, to ensure efficiency levels that win orders at good margins and to provide front-line leadership to accelerate business growth.

Suitable candidates, male or female, age middle 30s to early 40s,

are likely to be graduates and certain to be numerate. They must already be at or near to general management level and profit accountable in manufacturing companies with a broad customer base.

Salary negotiable plus added value bonus; excellent benefits including car and relocation help.

Please write in confidence with relevant career details to D.A. Ravenscroft at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.

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BANKING APPOINTMENTS

DEALERS ASSISTANT (BULLION) c. £10,000
Our client, a major and respected European bank is currently looking to recruit a person 21-25 with at least three years exposure of the bullion market covering settlements, positions etc.
The successful applicant will commence as an assistant to a highly professional team of bullion dealers.
Please contact Brenda Shepherd

MANAGER - LOANS ADMINISTRATION c. £12,500
Opportunity to take over this busy department in an American Bank. The successful candidate will have in-depth experience of loans administration, obvious man-management skills, the ability to solve problems and work easily under pressure. Age 27-35.
Please contact David Little

EXPORT FINANCE to £12,000
A major bank has a vacancy for an experienced banker who is thoroughly conversant in medium term buyer and supplier credits.
This would be for an administration role but would involve considerable client contact and negotiating with ECGD etc., a knowledge of documentation would be an advantage. Age 25-30.
Please contact Brian Gooch

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate - London EC2M 4LX • 01 623 1266

INVESTMENT ANALYST

LAURENCE, PRUST is expanding its overseas research department and wishes to employ an investment analyst who would specialise in Malaysia and Singapore, and particularly in the industrial companies and banks. The successful candidate will almost certainly be a graduate under 30 and will have a high degree of expertise in investment analysis. A knowledge of Malaysia and Singapore would be an advantage. He/she would be expected:

- ★ to make frequent visits to Malaysia and Singapore during the course of which he/she would build up a wide range of contacts in the business scene of the two countries
- ★ to report upon all visits and to comment on company announcements and to write memoranda on companies and sectors, as appropriate
- ★ to conduct short seminars on the Malaysian and Singapore companies and sectors
- ★ to ensure that the LP service team and clients are kept fully abreast of his/her views
- ★ to maintain a databank on TOPIC of the companies and sectors he/she covers

Applications, which will be treated in strictest confidence, should be sent, together with a curriculum vitae, to Martin Wedgwood, Laurence, Prust and Co, 7-11 Moorgate, London EC2R 6AH.

Howden Securities Assistant Investment Manager

[Fixed Interest]

Howden Securities Limited, a subsidiary of Alexander Howden, manages about £200 million of funds for insurance companies, Lloyd's Syndicates and Private clients, mainly in Sterling and US Dollar domestic Markets. The company invites applications from experienced fixed interest specialists, willing to assist the existing managers in an organisation devoted to efficient and expert fund management.

Applications should be made in writing, stating experience and salary progression to: Personnel Department, Alexander Howden, 22 Billiter Street, London EC3M 2SA. Further information with regard to this position can be obtained from the Recruitment Officer, Tel. 01-488 0808 Extn. 3908.

Alexander
Howden Group Limited

G. J. COLEMAN HOLDINGS LIMITED require a COMPANY SECRETARY/ ASSISTANT TO THE BOARD

The Group comprises two firms of Lloyd's Insurance Brokers and three other firms of Insurance Brokers in London. As an expanding Group we are seeking a Company Secretary of Group Companies responsible to the Holdings Board for Company Secretary, personnel and administrative matters.

- Applicants
- Must have qualifications and/or experience as a Company Secretary
 - Should preferably have a wider knowledge of the financial sector
 - Must have an understanding of insurance and some knowledge of Lloyd's in particular.

Accounting or legal qualifications are less important than personality and flair.

Applications for interview to:
D. H. Stuart-Brown
C. J. COLEMAN HOLDINGS LTD.
155 Minories, London EC3N 1BT
enclosing detailed curriculum vitae

All information will be treated as strictly confidential

Director of Finance

The Water Authority is seeking to fill the post of Director of Finance which becomes vacant on 5 August 1982, following the retirement of the present Director, Mr. E. J. Gilliland, FCMA, IPFA.

The Director of Finance is the Authority's adviser on economic and financial matters and is responsible for all operational management functions relating to economics and finance, including standards of financial administration throughout the Authority's area.

The person appointed to the post will be expected to have had relevant professional and managerial experience, preferably with a similar large organisation. Salary will be £30,000 pa.

Further information and application form available from the Regional Managers, Thames Water, New River Head, Rosebery Avenue, London, E.C.1. Tel. 01-537 3300 Ext. 2024

Closing date 12th April, 1982.

Thames Water

AMBITIOUS YOUNG BANKERS

Expanding subsidiary of major international group seeks experienced staff for UK lending business and Documentary Credits

Contact: Jack Shebson, Company Secretary
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4/7 Woodstock Street, London W1A 2AF

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BUSINESS STUDIES Graduate with Masters degree by NCA in corporate administration, seeks interesting job involving research, writing, and editing. Write Box A, 778B, Financial Times, 10, Cannon Street, EC4P 4DY.

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Financial Controller

East Midlands £15K+car+profit sharing bonus.

The potential of this rapidly expanding company which manufactures and markets a well-known consumer product, the leader in its field, is demonstrated by its dramatic growth over the past seven years. Profits have been consistently good and prospects of substantial future growth both at home and overseas are excellent.

Reporting to the Finance Director, responsibility will be for the overall financial control of the company. Duties will include financial and management accounting, budgetary control, staff management and statutory accounts. The accounting systems are computerized and

the applicant will be involved in further development of DP facilities.

Aged over 30, you should have a strong industrial/commercial background. Essential qualities are good organisational and communications skills with the ability to control and motivate an enthusiastic staff team. Initiative and ability to plan are important requirements in this rapid growth environment.

Candidates, male or female, should write with full details to Philip Gardiner (Ref. FLA/186), Austin Knight Limited, James House, Welford Road, Leicester LE2 7AE.

Applications are forwarded to the client concerned, therefore, any company in which you are not interested should be listed in a covering letter.

Austin
Knight
Advertising



BUSINESS INTELLIGENCE OFFICER

£11,000 (including London Allowance)

Applications are invited for the post of Business Intelligence Officer in the TSB Group Central Executive. The Central Executive, based in London, provides a range of central services to the Trustee Savings Banks and Group Subsidiary Companies and it employs 150 staff, the majority of whom are of Executive or Management status.

The vacancy arises from the expansion of the Group's planning function and the successful candidate will report to the Business Analyst in the Corporate Planning Division.

The primary responsibility of the successful candidate will be to analyse and monitor the economic and competitive environment in which the Group operates and to assist in the

development of appropriate plans and strategies. He/she will be required to communicate with all levels of Management and, in particular, be able to interpret and present complex information.

This post represents an excellent opportunity for someone with a background in banking and finance with skills in business economics, financial analysis and the marketing of financial services. Experience in the use of computer-based forecasting techniques would also be an advantage.

Salary will be in the region of £11,000 (including London Allowance) with a wide range of benefits associated with a major banking group including mortgage subsidy (subject to a qualifying period) and non-contributory pension scheme.



Applications should include full personal, career and salary details, and be forwarded to: Head of Personnel Division, TSB Group Central Executive, 3 Coptwell Avenue, London EC2P 2AB, to arrive no later than Friday 26th March 1982.

Overseas Fund Manager

We have an exciting opportunity for a good fund manager aged mid to late 20's to join a young, rapidly-expanding investment company.

You should have two or more years' direct experience and specific knowledge of the U.S. or Pacific Basin and general knowledge of other overseas markets. Launched in September, 1976, Chieftain now has in excess of £20 million under management, mainly in unit trusts but also other institutional funds and private clients. Besides managing funds you will also have an opportunity to contribute to the general growth of the Company. Salary negotiable.

Reply in confidence to Mrs C. Carter at the address below



CHIEFTAIN
TRUST MANAGERS LIMITED

Chieftain House, 11 New Street, London EC4M 4TP Telephone: 01-263 3933

Finance Leasing

An international consortium bank in the City is seeking an assistant for the manager of their expanding leasing portfolio.

This is an opportunity for a young man or woman of appropriate ability to gain experience in negotiation at senior level and in the control of a portfolio. Candidates should be in their middle/late twenties and must possess some leasing or financial marketing experience.

A realistic starting salary will be paid. Other benefits include low-interest mortgage and profit-sharing schemes.

Applications will be treated in strict confidence. Please write initially stating age, qualifications and experience to Mr. E. Cotter.



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Major U.S. Bank c. £10,000 Trainer with good people skills, to organise courses, classroom experience essential.

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Experienced French speaking physical trader required to head a new cocoa department. Full knowledge of world market essential. Salary negotiable plus benefits.

Applications to:

The Secretary
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10 Old Jewry, London EC2R 8DU

INTERNATIONAL BANKING CHARTERED ACCOUNTANTS

We are seeking two qualified chartered accountants to join our London based internal auditing team, for work at senior level in a highly professional systems-orientated environment involving up to 25% travel.

Ideally the successful applicants will be in the age range mid-20s to early 30s who have had experience of bank audits gained within one of the leading professional firms. One successful applicant will be required to have fluency in French and preference will be given to other applicants with fluency in German, Italian or Spanish.

Experience of auditing telecommunications and computerised systems would be an advantage, but is not essential.

Remuneration for these rewarding posts, will be competitive and staff benefits include low interest mortgage and personal loan facilities, a non-contributory pension and participation in profit sharing and life assurance schemes, interest-free season ticket loans and free lunches.

Please send a full curriculum vitae to:

Raymond A. V. Howe, Manager, International Audit,
P.O. Box 224, 2/3 Cursitor Street, London EC4P 4BB

MANUFACTURERS HANOVER
TRUST COMPANY



CREDIT ANALYSTS to £11,000

Our Client, a major U.S. Bank with branches world-wide, provides the full range of Banking and Investment services to an ever-growing client portfolio.

Due to exceptional expansion in a division controlled by London, they wish to strengthen their team of credit analysts.

Candidates should be young banking specialists currently operating in a relevant area of a clearing bank or already within a U.S. or Merchant Bank.

Please telephone 01-242 0965 or send detailed C.V. to Nicholas Waterworth,
31, Southampton Row, London WC1.

LEASING EXECUTIVES Neg. + Car + Bonus

A prestigious financial services group is developing its leasing company and consequently has a requirement for a number of leasing executives.

Candidates should demonstrate a successful track record, preferably in leasing, together with strong marketing skills and the desire to enhance their career prospects.

Alongside the provision of a continued high-quality service to current industrial clients, there will be involvement in new client marketing.

Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Merrill Lynch International Bank Ltd. is seeking to strengthen and expand the foreign currency services it provides from London to the thousands of international commodity and institutional customers of the Worldwide Merrill Lynch Organisation.

Vice President, Foreign Exchange Marketing

We are looking for someone experienced in marketing foreign currency services to large corporations and governmental institutions in Europe and the Middle East. You will work closely with many of the 36 investment and commercial banking professionals located here in London and should have a strong background in long dated forward swap transactions. Compensation is open.

Senior Foreign Exchange Dealers

We are looking for one or two foreign exchange dealers in their late twenties to early thirties who are experienced in dealing spot and forward Marks or Swiss Francs. You must be able to handle the unusual and work well with sophisticated commodity and institutional clients in Europe and the Middle East. If you are not already earning in the region of £16,000 then you probably do not have the experience and qualifications necessary.

Send full particulars to:
Personnel Department, MERRILL LYNCH HOLDINGS LIMITED
3 Newgate Street, London EC1A 7DA



NESTE OY

is a major oil, energy and shipowning company in Scandinavia owned by the Finnish Government and with turnover of 3,600 million U.S. dollars 1981.

We have recently expanded our activities into coal, shipping presently steam coal from the U.S. to Europe and are starting to deal with British coal in the near future.

For our coal operations, we have offices in Helsinki, London and New York. We wish to appoint a

COAL TRADER

to be based in our London office. Responsibilities will cover coal marketing in selected European countries.

The successful candidate will possess good experience in international coal trading. Fluency in English will be essential, knowledge of other European languages an asset.

A salary in the range of £15,000 plus a generous commission scheme plus a car and other benefits will be offered. Applicants should send a career history and personal details to Mr Seppo Oja, Neste Oy London Office, 98/99 Jermy Street, London SW1Y 6EE.

BANKING

HEAD OF INTERNAL AUDIT c. £12,000 Qualified and experienced Bank Auditor required to head a small team responsible for complete programme in developing international bank.

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Please telephone Ann Costello or John Chiverton A.L.B.

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INVESTMENT ANALYST

IMI is a major engineering company with rapidly growing pension funds. An Investment Analyst is required to join a small team in the Investments Department at the company's head office in Birmingham to assist in the management of the pension funds' assets.

Applicants, male or female, should be in their early 20's and possess a good degree in the general field of finance or economics and/or a professional qualification in a similar field. It is preferable, but not essential, that applicants have previous portfolio investment experience.

Please write giving details of academic and professional qualifications, career history, age, current salary etc., to:



John Poole,
Kynoch Personnel Manager,
IMI plc, P.O. Box 216,
Witton, Birmingham B6 7BA.

PLANNING MANAGER EUROPE

Reports to the Financial Controller - Europe. Responsible for developing annual and five year financial business plan, covering: profit, balance sheet and cash aspects, in coordination with managers of all departments in different European locations and in U.S.A. Also responsible for capital budgeting analysis and cash management.

Position requires two to five years' experience in previous financial area, preferably backed up with M.B.A. and/or accounting degree. The practice of both fluent English and French is a must, as the position is based in Quimper - France.

If you are interested in the above position, please send a curriculum vitae, photograph and current salary to:

Fleetsguard® FLEETGUARD INTERNATIONAL CORPORATION, Service du Personnel Le Grand Guélen - 29000 GUIMPER (France) - quoting ref. JMR.

SINGAPORE

Latin American Bank shortly to open an ACU in Singapore seeks candidates for the position of:

FOREIGN EXCHANGE MANAGER

to assume responsibility for establishment and development of its dealing room activity. Candidates should ideally be aged between 30-35 and be well experienced in both deposits and foreign exchange.

Please reply, enclosing curriculum vitae, to Box A.7782
Financial Times, 10, Cannon Street, EC4P 4BY

THE UNIVERSITY OF LEEDS Office of Vice-Chancellor

The Council of the University has appointed a Committee to nominate a successor to the late Lord Boyle of Handsworth.

The Committee invites enquiries or applications from persons who would wish to be considered for the post. The Committee would also welcome suggestions of names.

Letters, marked personal, should be addressed to the Registrar, The University, Leeds LS2 9JT.

Accountancy Appointments

Central London £13,500 p.a. Practice Accountant

Our client is a growing law practice which, in addition to its base in the West End, now has offices in five overseas countries. This rate of growth is continuing and makes necessary a new appointment of Practice Accountant whose role will encompass the activities of all the offices. In particular will the appointee review and develop existing management information systems, prepare all accounts and maintain a close relationship with the practice auditors.

A qualified accountant is required who will almost certainly be aged mid-30s upwards and could well have had some years' experience of this role in a professional practice. Necessary experience will include computerised information and control systems. Some Secretarial work is likely to be involved and the staff in each office covers a wide range of seniority, so tact, sensitivity and an ability to secure co-operation at all levels are necessary personal characteristics.

Pension arrangements are under review, private medical insurance will apply and assistance with travel into the West End will be given. Help will be provided with any necessary relocation. Occasional overseas trips could be necessary.

Letters of application, together with CV, salary progression and any other relevant data should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, The Stoy-MLH Group, 126 Baker Street, London W1M 1FL quoting reference M508.

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BANKING

I would be interested in talking to
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INVESTIGATION / ACQUISITION ACCOUNTANT

c. £16,000 p.a. + car

Our client is a well-funded investment holding company with strong connections in North America and Africa. The group is actively pursuing acquisitions, both in the U.K. and overseas, in high technology, trading, leisure and related sectors.

The company seeks to appoint an accountant whose task will be to identify, investigate and report on potential acquisitions, and then become involved in their ongoing financial management and performance monitoring. Reporting to the Managing Director, the successful candidate will exercise considerable commercial judgement as well as accounting skills.

Applications are invited from qualified Chartered Accountants, aged in their late 20's to early 30's, who have enjoyed broader than usual exposure, including experience of investigations, with a large practice environment. Business acumen and a strong personal presence are key attributes for success which will lead to a broader management role in the medium term.

Written applications containing relevant career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc. at our London address, quoting reference number 3595.

410 Strand FREEPOST London WC2R 0BR.

Tel: 01-836 9501

26 West Nile Street FREEPOST Glasgow G1 2BR.

Tel: 041-226 3101.

3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

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COMPUTER AUDIT MANAGEMENT

Northern England

c.£10,000 - Car - Relocation.

A new and challenging appointment has been created within the central operation of a national firm of chartered accountants having a wide range of clients including several large public and private companies. Working closely with the Computer Audit Partner, the successful candidate will be expected to meet the demands of a growing department in terms of streamlining and improving existing procedures, advising partners, managers and clients on technical matters and undertaking in-house training courses as necessary. The opportunity also exists for some management consultancy involvement. This position will appeal to a qualified accountant with at least six months experience in the computer audit department of a substantial firm. Personal skills must include strong communicative ability and effective staff control techniques. A committed hardworking accountant can be assured of a sound future where his or her contribution will not go unnoticed.

Ref: 82067 FT.

For an early local interview write or telephone Brian R. Daniels, Senior Consultant, Dunlop & Badenoch, Accountancy Recruitment Consultants, Arndale House, Arndale Centre, Otley Road, Beadling, Leeds LS6 2UU. Quoting appropriate reference

TAXATION SPECIALIST

Northern England

c.£10,000 - Car - Relocation

This position occurs within a successful market-town practice of an international and well-respected firm of chartered accountants. The client base consists largely of small/medium sized private companies as well as a large number of personal taxation clients. The appointment at senior level, calls for a qualified accountant with a strong taxation background gained within a professional firm. The work will be wide ranging but with emphasis on corporate taxation and special detailed assignments. This is an opportunity to join a developing office where your technical ability will provide a vital link in the overall effectiveness of a compact and committed team.

Ref: 82068 FT.

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37 Essex Street
London EC3
Tel: 01-623 7544

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Birmingham B1
Tel: (021) 643 2875

Edinburgh
25-27 St. Stephens Street,
Edinburgh
Tel: (0272) 211041
or (0272) 268037

Leeds
Arndale House,
Otley Road,
Leeds 6
Tel: (0532) 742616

Manchester
551 Royal Exchange,
Manchester
Tel: (061) 832 6708

Reading
181a London Road,
Reading, Berks
Tel: (0734) 681222

New Zealand
39 Rut Street,
PO Box 457,
Auckland, N.Z.
Tel: (06) 377 7769

Financial Controller (Financial Director Des.)

The Company

A subsidiary of a multi-national group — arguably the most successful British owned company of the decade.

The Position

Financial Controller: Financial Director (Des) reporting to the Managing Director. He/she will provide monthly, half-yearly and annual accounts and prepare the 5 year corporate plan to the agreed objectives of the Group. He/she will be responsible for forward buying of currencies.

Candidate Requirements

- A successful financial executive, aged 32/35: a qualified chartered accountant.
- Experienced in modern management techniques including financial planning, credit and budgetary control using computer based systems. The ability to harmonise manufacturing and commercial constraints to customer requirements.
- Authoritative and self-confident and with the ambition to direct his/her career towards general management.

Remuneration

A very attractive salary with Group benefits will be negotiated. A suitable company car will be provided for personal use. Generous assistance for relocation. This is an opportunity to join a Group which has developed a team of very high calibre. There will be opportunities for career progression within the Group.



Telephone Eric Gurney on direct line 0225 64261
or Salford (02217) 2281 in the evenings or at the weekend.

E. Roland Gurney & Partners Ltd.

SENIOR MANAGEMENT SELECTION, 30 MILSOM ST, BATH BA1 1DG. TEL: 0225 63154

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Group Accountant Teddington

The Lesser Group is a highly successful private company with a range of activities in construction, property, system building and related fields. It operates through autonomous subsidiaries controlled from a tightly knit centre. We seek an imaginative professional to control the budgeting, accounting and reporting routines of subsidiaries, to perform corporate treasury activities, to provide technical support to subsidiaries and centre management and to run the Head Office accounting.

Aged around 30, and a qualified accountant, applicants will have spent several years in a commercial or industrial undertaking.

The successful applicant will rapidly become part of a young dynamic management team.

Salary negotiable from £11,500 with profit share, car and usual benefits.

Please call or write in confidence with concise career and personal details to: Wendy Mason,

Personnel Manager,
J.E. Lesser and Sons (Holdings) Ltd.,
The Causeway,
Teddington, Middlesex.
Tel: 01-977 8755.



LESSER

Retail Accounting Controller

NW London Salary c.£18,000

Our client is Dixons Photographic U.K. Limited. They are highly dynamic retailers with over 250 branches and a commitment to consistent and rapid growth.

Reporting directly to the Assistant Managing Director, who is also the Financial Director, the Retail Accounting Controller will have total responsibility for all accounting functions connected with the purchase and sale of merchandise and the control of goods throughout the complete retail cycle. This will involve working closely with, and providing relevant financial advice to, other senior executives at and below Board level. Since this appointment has overall responsibility for approximately 100 staff, it is particularly important that the candidate has the ability to successfully control and develop people at senior manager level.

The candidate will be a graduate and will have gained significant experience in a retailing or distribution environment. Familiarity with computerised accounting systems is essential.

The remuneration package is negotiable and includes a 2.3 litre car. There will be real promotion possibilities within the Dixons Group for the right candidate.

Please write in complete confidence to David Dale quoting reference 1263.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8811

CHIEF ACCOUNTANT

East Anglia Salary c. £12,000

A leading company in the international transport industry, part of a major UK Group, wishes to appoint a Chief Accountant to take charge of its financial and management accounting function. Reporting to the Financial Director, responsibility will include the preparation of financial and statutory information; and management accounting, including budgets and forecasts.

Applicants will be qualified accountants (ACA, ACCA or ACMA) aged 25-35 with several years' post-qualification experience in industry or commerce. A background in the transport industry will be an advantage, although this is not essential, and some experience in managing people is desirable.

Salary is negotiable depending on qualifications and experience. A company car will be provided, along with free membership of BUPA and the other usual benefits.

Write Box A7788, Financial Times
10 Cannon Street, EC4P 4BY

Property Management Accountant

C. London Neg. from £16,000

Our Clients are Chestertons, one of the leading London firms of Chartered Surveyors. They are pre-eminent in all aspects of Agency work, and have a very large management division.

There is a requirement for a Property Management Accountant to assume total responsibility for all aspects of accounting associated with the management division. This is a key position, and as well as high general technical competence, the candidate must have appropriate computer experience, the ability to manage staff and liaise with prestigious clients.

The candidate will be a qualified accountant aged 35-45. Ideally he/she will have previous experience in a similar role in the property field.

The remuneration package is negotiable and a car and other benefits will be provided.

Please write in complete confidence to David Dale quoting reference 1267.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8811
0225-63154

YOUNG CHARTERED ACCOUNTANT

International Merchant Bank

Nordic Bank, one of London's leading international merchant banks, is looking for a progressive, recently-qualified chartered accountant to join its financial team. The duties will comprise the preparation of reports for senior management, corporate planning and special financial projects. There will be opportunities for moving to other departments within the bank after a period of two to three years.

Candidates should be well-educated and have some experience in banking or bank audits. An excellent salary and the normal range of banking benefits is available.

Please write to:—

Christopher Tregoning — Associate Director
NORDIC BANK PLC
Nordic Bank House, 20 St. Dunstan's Hill
London EC3R 8HY

OVERSEAS ACCOUNTANCY VACANCIES

also appear under the

INTERNATIONAL APPOINTMENTS HEADING

on the facing page

BBC 1

6.40-7.55 am Open University (UHF only). 9.05-12.20 pm For Schools. Colleges. 12.30 News After Noon. 1.00 Pebble Mill at One. 1.45 Katy's Roll. 1.50 BPA-Brae. 2.00 You and Me. 2.15-3.00 For Schools. Colleges. 3.15 Holiday with Cliff Michels. 3.55 Regional News for England (except London). 3.55 Play School. 4.30 Pixie and Dixie. 4.55 Jackanory. 4.40 Fiddlers' Flan. 4.40 Friends. 5.05 John Craven's Newsworld. 5.10 Blue Peter. 6.00 News. 6.00 Regional News Magazine. 6.32 Nationwide. 6.45 World Figure Skating Championships from Copenhagen. 7.00 Tomorrow's World. 7.25 Top of the Pops - live presentation with Simon Bates. 8.00 The Kenny Everett Television Show. 8.30 Goodbye Mr Kent, starring Richard Briers and Hannah Gordon. 9.00 News. 9.25 Emergency Appeal for Central America. 9.30 Shoestring, starring Trevor Eve. 10.25 Question Time with Robin Day. 11.23 News Headlines. 11.25 World Figure Skating Championships from Copenhagen. The Men's Championship.

TELEVISION

Chris Dunkley: Tonight's Choice

Thursday is the night for two of BBC 1's most notable programmes. The Kenny Everett Television Show, which suffers from lack of any topical content but may continue to hold its own, if Everett introduces new characters often enough; and Question Time, which looks and feels as though it has been with us forever but is a relatively recent innovation—the most successful of its sort for years. (The original on BBC radio now seems sadly inferior.)

BBC 2 starts two brand new, if short, series, both worthy of attention. In Hard Times, Professor David Donnison, former chairman of the Supplementary Benefits Commission, now professor of town and regional planning at Glasgow University, sets out to discover who are the poor in Britain, how they cope, what demands they put on the Social Security system, and the possible consequences to the country's future. Poems in Their Place is a series of seven short programmes. The first, devoted to Housman's "A Shropshire Lad," is presented by John Wain, himself a poet and former professor of poetry. Between these two series, Forty Minutes looks at the work of French obstetrician Dr Michael Odent, whose maternity unit at Pithiviers sensibly abjures drugs, anaesthetics, forceps and every form of artificially induced birth. Very sensible. Highly successful.

LONDON

9.30 am Schools Programmes. 12.00 The Woodies. 12.10 pm Get Up and Go! 12.30 The Sullivan. 1.00 News, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus with Judith Chalmers and Trevor Hyatt. 2.45 Cribb. 3.45 How's Your Father. 4.15 Dr Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm. 5.45 News. 6.00 Thames News. 6.30 Thames Sport: Derek Thompson, Allan Taylor and Simon Reed reflect the sporting scene at home and abroad. 7.00 Does the Team Think? Tim Brooke-Taylor is the chairman and the panel consists of Beryl Reid, Jimmy Edwards, Frankie Howard and William Rushton. 7.30 Rising Damp. 8.00 Falcon Crest, starring Jane Wyman. 9.00 Shelley, starring Hywel Bennett. 9.30 TV Eye. 10.00 News. 10.30 Danger UXE, starring Anthony Andrews and Judy Geeson. 11.00 Parents and Teenagers. 12.00 What the Papers Say. 12.15 am Close: Sit Up and Listen with Ann Todd.

BBC 2

6.40-7.55 am Open University. 11.00-11.25 Play School. 3.55 pm Muggieridge: Ancient and Modern. 4.50 Caught in Time. 5.10 Industrial Architecture. 5.40 Cartoon. 5.45 All Creatures Great and Small. 6.40 County Hall. 7.05 News Summary. 7.10 Hard Times.

BBC 2

6.40-7.55 am Open University. 11.00-11.25 Play School. 3.55 pm Muggieridge: Ancient and Modern. 4.50 Caught in Time. 5.10 Industrial Architecture. 5.40 Cartoon. 5.45 All Creatures Great and Small. 6.40 County Hall. 7.05 News Summary. 7.10 Hard Times.

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ANGLIA

1.30 pm Anglia News. 2.00 Not for Women Only. 3.45 Make Mine Music. 6.00 About Anglia. 6.30 Arena. 8.35 Crossroads. 7.00 News. 8.30 See Sags. 11.15 Parents and Teenagers. 11.45 Marie Gordon-Price in Concert. 12.15 am The Living Word.

GRANADA

1.20 pm Granada Reports. 1.30 Exchange Flags. 2.00 Take the High Road. 2.20 Yesterday. 4.20 Hare's Boomer. 4.50 Voyage to the Bottom of the Sea. 6.00 This is Your Right. 6.25 Crossroads. 6.30 Granada Reports. 6.50 Emmerdale Farm. 10.30 Lou Grant. 11.30 What the Papers Say. 11.45 Late Night from Two with Shelley Rodhe.

TVS

1.30 pm TVS News. 2.00 Not for Women Only. 3.45 Squares One. 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 8.35 Crossroads. 7.00 Emmerdale Farm. 10.30. The Newsweek Experience. 11.00 Parents and Teenagers (Unemployment). 11.30 City of Angels. 12.30 am Company.

RADIO

RADIO 1

5.00 am A6 Radio 2. 7.00 Steve Wright. 9.00 Simon Bates. 11.30 Dave the Traveller. 2.00 pm Paul Burnett. 5.00 Andy Peebles. 7.00 The Record Producers. 8.30 David Jensen. 10.00-12.00 John Peel (S).

RADIO

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued) (S). 9.00 News. 9.05 This Week's Composer: Shostakovich (S). 10.00 Music for Violin and Piano (S). 11.05 Josquin Des Prez: Missa Ch'homme arme super voces musicales (S). 11.45 Milwaukee Symphony Orchestra (S). 1.00 pm News: 1.00 Manchester Midday Concert (S). 2.00 "Madame Favart." Opera-comique in three acts by Offenbach (sung in English) (S). 4.05 Viola and Piano. (rec'd) (S). 4.45 News. 5.00

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 4.20 The Lone Ranger. 4.45 Voyage to the Bottom of the Sea. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 10.52 Job Slot Extra. 10.55 Bizarre. 11.00 Come In. 11.30 Toe to Toe. 12.00 Reconnection.

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Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Group Financial Controller

Kuwait, c.£20,000 + bonus, car, accomm. etc.

Our clients are an expanding group of companies in the automotive, travel, freight and fast food industries. Reporting to the General Manager the successful candidate will manage a sizeable department with qualified accountants reporting into him on financial and management accounting. Prime tasks will be the Treasury function, local and international bank negotiations and the creation of MIS prior to the installation of a new computer. Applicants will be ideally 30-35 years, qualified accountants with management experience. Preference will be given to those whose backgrounds include a Middle East posting but this is not essential. The position carries married status and the company offers real career prospects.

N.P.S. Lilly. Ref: 22324/FT. Candidates should telephone in confidence for a Personal History Form 01-734 6852, Sutherland House, 5/6 Argyll Street, LONDON, W1E 6EZ.

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CANDIDATES should have at least TWO YEARS' EXPERIENCE in Credit Analysis, with a sound basic understanding of International Banking and Economics.

BOTH CANDIDATES should be completely fluent in the ENGLISH LANGUAGE.

ONE of the CANDIDATES should also be completely fluent in the ITALIAN LANGUAGE.

A good knowledge or fluency in other European languages is, of course, an asset.

CANDIDATES should address their CURRICULUM VITAE to:

Mr. Francois Belair
THE ROYAL BANK OF CANADA
3, Rue Scribe, 75009 PARIS

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Radio aims to be more than a soft option for advertisers

By David Churchill

AIRTIME TO the value of £100,000 on the independent radio network is the carrot currently being offered free of charge to advertisers in a bid

to make the media more aware of commercial radio.

Now nine years old, commercial radio is finding it increasingly hard to grow up in the fiercely competitive media market of the 1980s. Radio is still seen as very much the poor relation of big-brother television—a view that reflects the fact that the £51m spent on radio advertising last year represented less than 2 per cent of total UK advertising expenditure.

The £100,000 prize of advertising time is being offered by the independent radio companies to the advertiser who can provide the best radio advertising campaign for a product or service. So far the response from would-be winners

has been enthusiastic and several major advertising agencies are beginning to sit up and take note.

Dennis Barham, chairman of Leo Burnett, believes that "this is an imaginative promotion that you cannot ignore". He adds that "the competition has certainly caught on within our agency in the media, creative, and client services departments and we will be making a number of entries".

James Irvine, planning director of Linas, suggests that while the case for radio as a local advertising medium is clear-cut, it is not so for national advertisers with larger budgets. "It is here that the airtime competition will be very valuable in focusing adver-

sizers' attention on the potential of the medium," he adds.

In the U.S., where there are nearly 8,000 commercial radio stations, its potential has long been fully realised. Since commercial radio pre-dated commercial television in the States, advertisers and their agencies have traditionally made full use of radio in planning campaigns.

Commercial radio in the UK, however, is represented by some 34 stations at present—most of them loss-making. The Home Office has sanctioned a doubling of the commercial network by the end of the decade—although there are now doubts as to whether all the planned stations, which stretch from Penzance to Inverness, will be

economically viable in their present form.

The main problem is the reluctance of the major advertising agencies and their substantial consumer goods clients to use radio. The reasons advanced for this unwillingness are numerous, including larger commissions from much bigger television advertising accounts; the lack of national or—until recently—proper regional coverage; the reluctance of the best creative agency staff to commit themselves to campaigns worth only a few hundred pounds and broadcasting in remote areas of the country to an audience which many sceptics doubt is really even listening.

David Reich, managing director of the TMD agency, argues that "radio needs to be

sold to national advertisers, and those people involved in representing the medium to the big spenders just haven't devoted enough time, energy and imagination to convincing sceptical agencies and clients that radio works."

But he suggests that the commercial network should get together to research the effect on sales of a carefully controlled series of radio campaigns for national brands. "There simply are not enough convincing case histories showing the extent to which radio can produce sales, or awareness, or a change in attitudes."

The commercial stations have responded to such criticisms over the past year by forming regional airtime selling groups, enabling agencies to buy radio

spots on roughly comparable areas as for television. A 30-second advertising spot is also available for national coverage at breakfast-time—for a cost of £2,500 or so.

In addition, there are moves within the industry to form a Radio Marketing Bureau—along the lines of the American Radio Advertising Bureau—whose sole job would be to promote radio as a medium for both national advertisers and agencies.

Capital Radio, the largest and most successful of the commercial stations, has also just launched a Radio Ad of the Month award to encourage creativity and professionalism in the making of radio commercials. It also plans to undertake some long-term research

into the psychology of radio listening and the techniques of advertising on radio.

Although 1981 was a below-average year for radio advertising revenue—a 14 per cent increase in revenue was reduced to about 10 per cent when the new stations coming on air were taken into account—revenue has increased at a much faster rate in recent months. In both December and January, the increase in revenue was about 25 per cent higher than the corresponding months last year.

But most observers believe that such growth cannot be sustained unless the commercial network promotes itself in a much more effective way as a realistic alternative medium for national advertisers.

Aberdeen's NorthSound moves up the charts

BY MARK MEREDITH

THE radio programme sounded just right for an oil town. A woman disc jockey with a Louisiana drawl introduced the kind of sentimental boot-stomping music bound to please a homesick American.

Kathy Langley promised us all a real good time and kicked off the show with Kenny Rogers' Blaze of Glory, down from 39 to 60 in the Country and Western music charts. "I like two heroes, in a story, let's go out like we came in..."

This was NorthSound, the successful, eight-month-old commercial radio station at Aberdeen, in the north of Scotland; and the disc jockey had been a bored housewife, married to an American oilman, until she discovered NorthSound.

Kathy had never worked behind the microphone before but for that matter neither had most of the other broadcasters on the small staff of NorthSound. Bobby Hain, who anchors the breakfast time slot, is an 18 year old about to take up computer studies when he applied for a job in broadcasting.

Homespun broadcasters have been one of the ingredients of a promising start by NorthSound. According to figures

from independent radio, it is now the second most listened to commercial radio station as a proportion of its local potential audience. Regular surveys by outside consultants place Downtown radio in Belfast in the number one slot.

The "dipstick" survey by the consultants also showed 93 per cent "awareness" of the new station among its potential listening audience; only three points less than the well established BBC Radio One.

Audience

The Radio One audience was the prime target for Bill Aitkenhead, managing director of NorthSound. He designed a programme of pop and popular music as well as local news and current affairs for the station's broadcast day of 6 am to 8 pm. From April he plans to expand the hours to midnight.

Despite the temptation to make the new station "oil-city radio" and play up the Klondyke image, Aitkenhead has made a point of not targeting his station at this audience. British oil men have been gradually replacing the Americans and the U.S. community is getting smaller.

More important, Aitkenhead

feared that a specific pitch to the American sector of the community might alienate the vast majority of the 305,000 population which could pick up the station, but who are not directly involved in oil and whose links might be in the more traditional fields of fishing, farming, textiles or paper production.

NorthSound is very much Aitkenhead's show. He is a former broadcaster and journalist who had moved into business; previously he had been general manager of Aberdeen's Dyce airport which, with North Sea oil air traffic, is Britain's third busiest airport after Heathrow.

He was due for a new posting and this was likely to be at Heathrow but, thinking largely of his young family, he opted to stay in Scotland.

The owners of the new commercial radio franchise, headed by Andrew Lewis, a prosperous trawler owner, wooed Aitkenhead having heard that he had the right combination of experience in broadcasting and management. In order to get ready for the July opening he took up residence in a Portacabin beside the former schoolhouse which was to become the station's home.

Aitkenhead managed sales,



Kathy Langley: her Louisiana accent made American oilmen in Aberdeen feel at home

programming, promotion and even the training of his 36 staff. Virtually no work was farmed out to consultants and agencies. Aitkenhead wrote the station's main sales jingle now featured on car bumperstickers all over town which promises NorthSound "free with every radio."

Teeshirts and autographed pictures of the disc jockeys have all been part of consciousness-raising—as is another promotional jingle:

"Make every single day one of sunshine

With lots of fun and laughter all around

We're your friendly, caring, local radio station

So why don't you come along

We're with you all day long

Stay tuned to 290

We're NorthSound."

Getting a radio station off the ground during a recession meant keeping costs down. But armed with good "awareness" and "reach" figures to show that NorthSound was get-

BOARDROOM BALLADS

THE HIDDEN PERSUADERS

Let us, if you'd be so kind,
Praise the triumph of the mind
Over more pedantic matter,
Which advertising agents scatter
Around the edges of the green
Pastures of the business scene;
By which, as client fortunes roll,
Closer to the final hole,
They wrinkle, from the waiting hearse,
Ever mounting media purses,
For one more advertising burst,
Before the ashes are dispersed.

Words there are not good enough
To match the brilliance of the bluff;
Or adequately to explain
How businessmen of normal brain,
Enter advertising houses,
And leave without their shirts and trousers!

The agency director who
Persistently performs the coup,
Produces, for his rich commissions,
Unique selling propositions
Based, as decent agents should,
On either sex or motherhood;
These are, to the imagemakers,
The Freudian factors which will shake us,
From our apathetic bellies,
To buy some more to fill our bellies;
Or grab, to satiate our greed,
Still more junk we do not need.

Fresh in pinkish shirt and sneakers,
He bounds across the floor to tweak us;
While, busy at his heels, attends a
Retinue of unknown gender,
Escaped with story, boards and charts
And sundry other works of art.

Soon the client's senses tingle
To the orchestrated jingle
Which, the test results declare,
And, by subliminal recourse,
To some Oedipian force,
Will open, through the hidden eye,
The full capacity to buy.
This time round he cannot fail
To finish with the Holy Grail:
Or see, as performance hits the sky,
His sales performance hit the sky.

And on—through dinner at Le Beau;
Perhaps a little girly show;—
Until our innocent of brain
Is popped discreetly in the brain,
Not quite breaking, through the fun,
Who has lost and who has won!

The client's customers may be
A bit less glibble than he;
And more resistant to the guys
Who pulled the wool across his eyes.

Bertie Ramsbottom

Next week: On the dole

ATLAS EXPRESS

PRODUCTION LINE

The cost of distribution is going up all the time. Petrol, labour and storage are just three of the elements that make distribution an ever increasing part of most companies' overheads.

Add to this the pressure from customers who demand faster turnaround and more competitive prices and you've got a formula for reduced profitability.

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If your problem is simply one of fast delivery, Atlas can solve it. Atlas Express Gold Band guarantees next day delivery to destinations throughout the U.K. and backs it up with a comprehensive insurance package. If next day isn't fast enough, Gold Band Night Shift Service guarantees next morning delivery.

Break Bulk.
If you have lots of uneconomical local delivery problems use Atlas Express Break Bulk. Simply trunk loads to one of

PRODUCT LINE

our many regional depots and we'll handle all the local deliveries efficiently and economically.

Warehousing & Distribution.
This new division has been developed over several years to solve a great variety of storage and distribution problems. It has the flexibility to develop specially designed warehousing capacity, virtually anywhere in the U.K. and co-ordinate your stock control systems. Most of all, Atlas Express Warehousing can save you money—because you buy only the service you need, not empty space or extra labour.

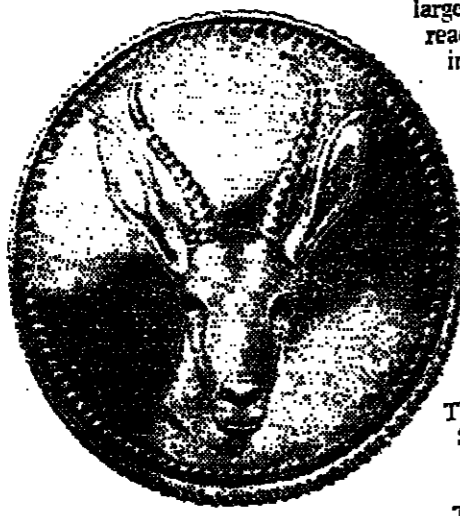
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Atlas Express, 96-98
Regent Road, Leicester.
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Trafalgar Square,
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Telephone: (01) 930 4488
Telex: 8952626



Trading partners for 300 years.

The best place for most marketing plans is at the back of a filing cabinet?

Although most organisations now acknowledge the need for a systematic approach to marketing, many managers still find it difficult to develop and control effective marketing plans.

Cranfield School of Management's one-week programme, *How to Prepare Marketing Plans*, helps participants to bridge that gap between marketing theory and practice. The programme focuses on the essential elements of the planning process—identifying realistic goals, making them explicit in writing and scheduling the action necessary to achieve them.

Those attending the programme develop a better understanding of the elements in the marketing mix and acquire the practical skills for developing a co-ordinated, effective marketing plan. This is a programme which benefits all managers who have an influence on a company's marketing planning effort.

How to Prepare Marketing Plans, will next be presented at Cranfield from 12th to 16th July 1982.
Cranfield School of Management—Bedford (0234) 751122.

To: Malcolm McDonald,
How to Prepare Marketing Plans,
Cranfield School of Management,
Cranfield, Bedford MK43 0AL.
Tel: (0234) 751122. Telex: 826559.

Please send me further details and information on your programme *How to Prepare Marketing Plans*.

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THE ARTS

Record Review

Song-cycles and Song-symphonies

by ANDREW CLEMENTS

Shostakovich: Symphony No. 14, "Babi Yar". Dmitri Shostakovich. Decca SXDL 7532.

Schoenberg: Erwartung. Six Songs Op. 8. Anja Silja. Vienna: Philharmonie/Dohnanyi, Decca SXDL 7508.

Maw: The Voice of Love; La Vita Nuova. Sarah Walker and Roger Vignoles; Nan Christie, The Nash Ensemble/Friend. Chandos ABR 1037.

be received with numbed silence.

The parallels between the symphonic song-cycle and the orchestral song-cycle of Britten have been well aired. The work is dedicated to him, and the scoring for soprano and baritone soloists with strings and percussion at times recalls passages in the tenor Serenade and the Nocturne.

The single controversial aspect of this marvellous new account is that the texts are here sung in their original languages rather than the Russian translations of Shostakovich's first version.

The Fischer-Dieskaus make an appropriately intense pair of soloists, matching Hatink's raw-edged rendering of Shostakovich's meaty textures.

Convent Garden

Billy Budd by MAX LOPPERT

The latest Covent Garden revival of Britten's opera is a collection of excellently studied and vigorously delivered performances in search of a worthy frame.

But the real distinction of the principal players and the nation and exhilaration of Welsh National conductor Richard Armstrong (making his Royal Opera debut) discovers in the music, are less easily relied upon; and so it is said, if not disastrous, that the old John Piper sets no longer serve beyond a function of skeletal suggestiveness.

over, the soft singing rougher and less well-tuned than formerly (a cold?). In every other particular this remains one of the most rounded interpretations currently offered on the British lyric stage.

Alongside Mr Allen and Mr Armstrong, the Royal Opera have reassembled from the famous Welsh National Billy Budd Forbes Robinson's Clagart—a masterly portrayal, still sturdy voiced (the orchestra covers him a little in soliloquy), though altogether too heavy now.

Altogether Mr Allen and Mr Armstrong, the Royal Opera have reassembled from the famous Welsh National Billy Budd Forbes Robinson's Clagart—a masterly portrayal, still sturdy voiced (the orchestra covers him a little in soliloquy), though altogether too heavy now.

Of Thomas Allen in the title role it might now be remarked that mainly solidity of voice and physique have replaced the boy-singer's colouring and taut internal working of the musical structures are evoked as strikingly as they were Tuesday, and when all the characters seem to live as "real people," then the opera gains profoundly, in the larger sense if not in clarity of every dramatic detail.

Dominion Theatre

Tosca by ANDREW CLEMENTS

On previous visits to London Scottish Opera has used Sadler's Wells Theatre for its short seasons. Last September it brought its hapless production of The Beggar's Opera to the Dominion, and on Tuesday began a week of more serious performances there with Anthony Bech's production of Tosca.

From a seat in the circle, the bright, spotlight sound the Dominion gives to an orchestra suited Alexander Gibson's positive approach to the score. Colours were vivid, tuttis powerfully exacted; the balance between orchestra and stage was sometimes too much in favour of the former.

Guys and Dolls by B. A. YOUNG



Julia McKenzie and Bob Hoskins

Let me not think I am going to write a calm and analytical notice. This has been my favourite musical, whether or not I think it the best, since I saw it at the Coliseum in 1953, and Richard Eyre's fine production at the National has only reinforced my feeling for it.

To begin with, the book by Jo Swering and Abe Burrows in the manner of Damon Runyon is a good romantic comedy even apart from the songs.

The second plot uses less caricatured figures. Ian Charleston needn't make Sky Masterson funny; he is just a big-time gambler who is involved in funny situations (and one situation at least, the arrival of the gamblers at the Save-a-Soul Mission, seemed funny enough to Tuesday's audience to rate a round of applause, something seldom given to a wordless situation).

The staging of the songs and dance by David Toguri is both picturesque and comic on its own account; the crap-rolling routine that starts the game in the sewer is cleverly imagined.

written in the same style as the dialogue. Besides show pieces for the principals like "I'll know when my love comes along" and "My time of day," there are great songs like "Fugue for Jim Horns," which is indeed a fugue, and "Sit down, you're rocking the boat," so well sung by David Healy as Nicely-Nicely Johnson that the audience wouldn't let him go.

The staging of the songs and dance by David Toguri is both picturesque and comic on its own account; the crap-rolling routine that starts the game in the sewer is cleverly imagined.

Britten, set to one side on the open stage, makes just the right sound, never overacting the voices. You can hear all the words even in the chorus numbers, perhaps because the chorus is small; and the words are always worth hearing.

To quote from Sarah's song of freshly released affection, if I were a bell, I'd be ringing.

Festival Hall

Sanderling by DOMINIC GILL

At the first of his two concerts this week with the Philharmonia, Kurt Sanderling divided his programme between Schubert and Shostakovich. Under the right batons the Philharmonia these days can offer some of the most exciting orchestral playing to be heard in London.

None of its prizes was carelessly or slickly won. Sanderling approached Schubert's Unfinished symphony with a serious reverence which in no way precluded a full charge of sparkling energy.

Fifth was a model of poise and command, and rarer still, of eloquent bittersweet poetry. He resisted everywhere the temptation to reach for easy, flashy effect; the quality of the performance lay deeper—in its deftness and poise, in its knife-edge placing of climaxes, in its immaculate pacing.

World auction record prices for paintings by L. S. Lowry and Paul Nash were paid at Sotheby's yesterday in a sale of modern British pictures which totalled £226,065.

At Christie's a rare first edition of Pavlov's early thoughts about the digestive system, published in St Petersburg in 1897 and still in its original wrappers, was bought by Maggs for £15,120. It was a prelude to Pavlov's work on the conditioned reflex.

Record price for Lowry

THEATRES

ALBANY, 558 3872. Credit card bookings 558 3872. Grand 558 3872. Royal 558 3872. Theatre 558 3872.

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ALBANY, 558 3872. Credit card bookings 558 3872. Grand 558 3872. Royal 558 3872. Theatre 558 3872.

F.T. CROSSWORD PUZZLE No. 4819

ACROSS 1 ITMA's colonel and part of his helmet (9) 6 Class that grows up without directions (5) 9 Liberal politician takes beer around (5) 10 Took a photograph in revolt and it's promptly seized (7, 2) 11 Antelope that form into a pack (10) 12 Dry article to deliver (4) 14 Smart and fashionable Tony drops his tea and hear, for a coffee additive (7) 15 Take pains with what may be brewing (7) 17 Coin, worthy of credit to us (7) 19 Release a weapon for membership with no sting (4-3) 20 An essential new wine mould (4) 22 Rising prices at Smithfield? (4, 6) 25 Implement used for a fine search by the dentist? (9) 26 A deficiency expressed in a word of regret (5) 27 Gloomy duke gets back (5) 28 Poison from finger with broken nail (9)

DOWN 1 Giving credit to a fool would be stupid (5) 2 I'm relating to a part, but only just (9) 3 Rigorous utterance—from the cox? (5, 5) 4 Olander got up to bark (4-3) 5 Apron left in a carton (7) 6 Start at opening to the east (4)

A crossword puzzle grid with numbers 1 through 28 indicating the starting positions for the clues. The grid is a 10x10 square.

Solution to Puzzle No. 4818

ALBANY, 558 3872. Credit card bookings 558 3872. Grand 558 3872. Royal 558 3872. Theatre 558 3872.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantimo, London PS4. Telex: 9954871
Telephone: 01-248 8000

Thursday March 11 1982

Policy between the lines

CHANCELLORS OF the Keynesian era, of whatever party, would always at the climax of their Budget statements explain how much they were putting in or taking out of the economy. The present Government makes a virtue of its impotence to determine private sector behaviour. However, the pretence of impotence is really no better based than the old claim to omnipotence. Chancellors cannot manage the economy, but they cannot help influencing it, because of the sheer bulk of the public sector, its spending and its exactions.

Outsiders, therefore, have spent the day after the Budget in rival attempts to fill in the policy implications which Sir Geoffrey left out of his speech, and have offered every conclusion from a dangerous pre-election bing (based on the apparent relaxation of monetary targets) to a further tightening of the squeeze (based on the drop in public sector borrowing as a proportion of national income). Sir Geoffrey's known attachment to "muddy solutions," as he calls obscurity, has triumphed.

Significant

Our own judgment is that there has been only a small change in policy in terms of "demand management." The apparent fall in the forecast PSBR is partly the result of slightly higher projected growth, which swells revenue and may cut some expenditure. The monetary targets have been relaxed, but if they are hit they will involve a slightly tighter regime than last year (or substantially tighter, if only the most distorted aggregates are tracked).

Within this unchanged or possibly tighter total, however, there are some significant shifts in balance. There has been a switch of the order of £500m in favour of the corporate sector at the expense of personal taxpayers. When the April increase in National Insurance payments is taken into account, more significantly, there has been an increase of £5bn in public spending from the plans announced a year ago, without any impact on borrowing.

A peace proposal from Mexico

THE NEWS from Central America is of increasing turmoil. The presidential elections on Sunday in Guatemala were not contested by the centre or the left but nevertheless have, as expected, brought forth mutual recriminations and allegations of fraud. Three conservative candidates have impugned the apparent victory of the government candidate, General Anibal Guevara. There are reports of mercenary forces being trained to overthrow the left-wing Sandinista government in Nicaragua. Despite its proclaimed intentions of keeping clear of political involvements with its neighbours, Honduras looks likely to see its neutrality threatened by the fighting on its borders. In El Salvador the insurgents are stepping up their attacks on the government of President José Napoleón Duarte as the elections, scheduled for March 28, draw near.

In such circumstances the strategy for peace in Central America and the Caribbean announced by President José López Portillo of Mexico in the Nicaraguan capital last month is attracting increasing international support.

Initiatives

In essence the Mexican plan calls for a truce in the political struggle between Washington and Havana, almost as a prerequisite for peace in the region. President López Portillo envisages as well a non-aggression pact between the U.S. and Nicaragua and negotiations between the warring parties in the war in El Salvador. In all these difficult initiatives Mexico is offering its good offices.

The plan is realistic in that it gets to grips with the genuine issues in the region and blows aside the clouds of rhetoric and half truth which have for years past bedevilled initiatives for peace and lasting stability.

To Cuba's hard-pressed regime it offers security from any hostile action by Washington and a chance for President Castro to try to repair a badly ailing economy. To the Nicaraguans it offers as much the same while to El Salvador it opens up the possibility of an end to a war which has already pulverised the country.

The plan would not, however, involve a series of unilateral concessions by the

The shadow of Japan—again

By Ian Hargreaves in New York

ACCORDING TO a wide variety of voices, the pay contract ratified overwhelmingly last month by the U.S. workforce of Ford Motor represents a new chapter in American labour relations.

It is, say the promoters, who range from Detroit veterans to academicians, the biggest and hardest illustration so far of the drift away from nakedly adversarial bargaining postures towards more co-operative ways, modelled, however vaguely, upon the Japanese example.

While it would be quite wrong to overstate this case—a deal struck in the worst recession for half a century may not prove typical in the long run—it is true that Ford has broken some new ground, most significantly in the granting to workers with 15 years' service to the company a "guaranteed stream of earnings" even if the worker is laid off.

Ford has also, for the first time in its history, set up the structure for a profit-sharing scheme, which can obviously only become active once Ford ends its chain of horrific losses in its U.S. automotive operations.

But, remarkable as the Ford-United Autoworkers Union (UAW) deal may be in the Detroit landscape, the more interesting issue is the extent to which this agreement forms part of a much broader trend in the U.S. towards payment systems which go beyond the normal reaches of wages per hour.

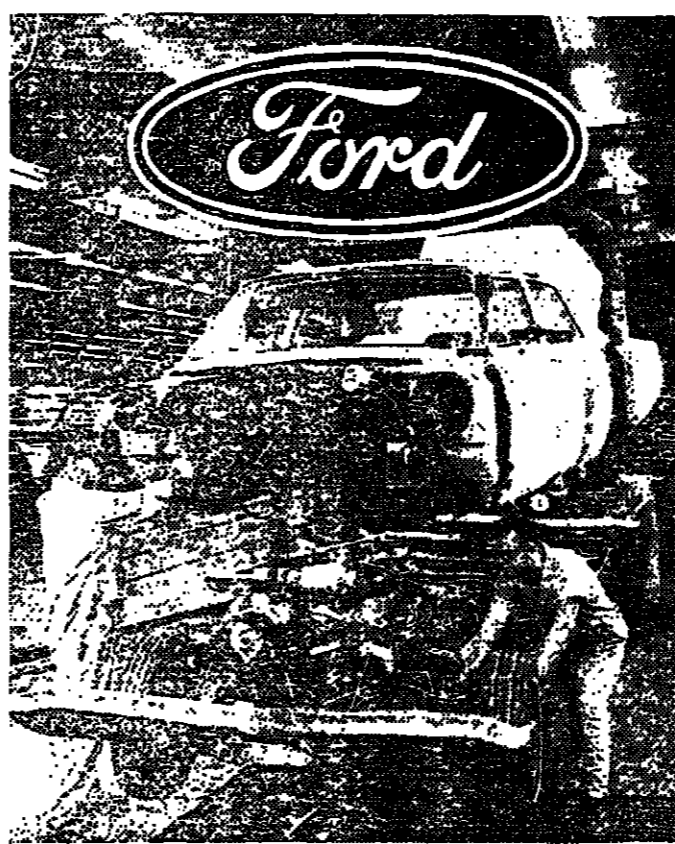
Today, 17m American workers participate in one form or another of profit-sharing plan. This is fully one-fifth of the workforce and is similar to the level of trade union membership in the U.S. Another 25,000 schemes are added to the total each year and together U.S. profit-sharing plans control funds amounting to \$75bn.

In addition, although there is some double counting in these numbers, there are now over 4,000 employee stock ownership plans (Esops) in the U.S. ten years ago, according to the Esop Association of America, there were only about 50 such schemes.

Part of the explanation for this explosion, especially in the case of Esops, is the fact that many American companies, especially smaller ones, do not provide traditional pension plans for their employees.

Esops, which can be used to provide a retirement day pay-out or an annual pay-out after retirement, are one way of covering this deficiency, without the regular payment commitment of a funded pension scheme.

Even some very large companies, such as Procter and Gamble, have made use of a profit-sharing scheme and Esop rather than a pension fund, with the result that the company's employees now own, at least 20 per cent of Procter and Gamble's shares. Others, such as American Telephone and Telegraph, and General Motors, have created limited forms of Esops designed primarily to take advantage of tax benefits



Dearbourn assembly line: Ford plan is not so generous

and which have resulted in insignificant levels of employee ownership.

Meanwhile, there have been several much more ambitious efforts in both the Esop and profit sharing field. Continental Airlines, hoping to avoid a takeover by Texas Air, developed plans for employee control which were defeated by resistance in the California legislature and the fact that the employees ran out of time. This would, if formed, have been the largest Esop in the country and would have been financed by employees putting in a slice of future pay to a trust, a device which persuaded a large number of banks to back the plan with sizeable loans.

Workers at Kaiser Steel have also proposed, unsuccessfully, a worker takeover of their ailing company. Meanwhile, the workers at General Motors' Clark, New Jersey, bearings plant have succeeded in forming an employee-owned trust to buy the business, which GM said it would shut down if the employees refused to take it over. Part of that deal has involved a 25 per cent to 30 per cent cut in wages and a 25 per cent cut in the work force.

Last week, National Steel proposed to sell one of its less profitable steel works to employees.

Pay cuts have also been featured in several deals in other industries, with workers being persuaded that a future stake in their company (through shares) or a portion of its future profits is a fair trade-off for the sacrifice.

Braniff International followed a model set three years ago by Eastern Airlines in creating a profit and loss sharing plan (or variable earnings plan) which,

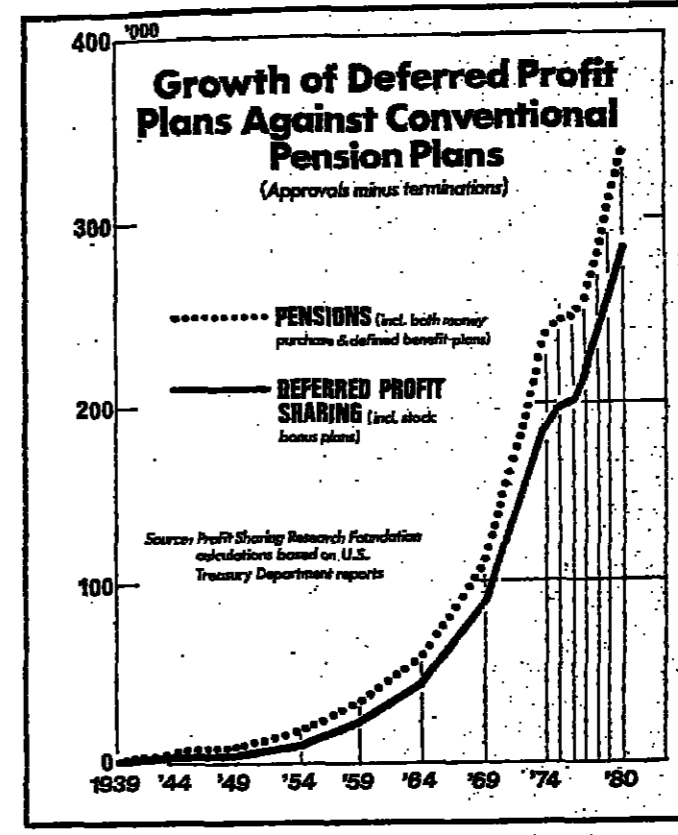
in addition to requiring pay cuts and freezes, envisages workers earning between 90 per cent and 110 per cent of their nominal pay, according to company profits. Two smaller road haulage companies have created spreads of 55 per cent to 115 per cent.

Behind this casualty list of companies such as Ford and Pan American World Airways trying to bandage their wounds and stem redundancies with new approaches to labour, however, lies a long tradition.

In essence, an Esop is a stock bonus plan which invests primarily in the shares of the employer company and so builds up for each employee an ownership stake which can be sold on retirement to create a kind of old-age pension. The technicalities vary according to whether the Esop borrows money to buy stock, whether employees can use part of their trusts before retirement, whether employees get full voting rights for their stock and the degree to which an employee can cash in on his Esop rights if he leaves the company.

These are highly complex and technical issues, made more so by the ever-changing tax treatment of Esops, but in the hands of the more ambitious employers the concept of worker ownership is used as a carefully manipulated spur to increased loyalty and productivity.

The big question, of course, is whether Esops serve any function other than as a straight-forward perk. According to a recently published study by the Journal of Corporation Law, they do: namely they lower labour turnover, improve attitudes and sharpen productivity.



Source: Profit Sharing Research Foundation calculations based on U.S. Treasury Department reports

Brain Radovic

The study found that 228 companies with Esops achieved an annual average productivity gain of 0.78 per cent between 1975 and 1979, against a national average (weighted to make the comparison reasonable) of minus 0.74 per cent. A third of the companies surveyed said that product quality had improved since they started their Esops and 79 per cent said there had been a marked degree of employee interest in company progress.

The profit-sharing concept is more loosely defined than the Esop and often carries a benefit of immediacy. One very successful scheme is run at Fisher-Price, the toy company, which each year pays out 22 per cent of its U.S. pre-tax profits to its U.S. workforce. These payments are made directly, in cash (the company also has a pension plan) and, according to the company, has produced wide-ranging benefits of productivity and corporate morale. Last year, each worker pocketed \$2,500 to \$3,000 from the plan.

"It is highly motivational," says Mary Ann Lamberton, the company's vice-president for personnel. "The employees have responded beautifully." Fisher-Price's plan actually goes back to 1936, but only in the last three years has the company heavily emphasised the need for cost savings, constantly reinforcing the idea that for every dollar saved, the workforce gets 22 cents.

During this campaign, worker suggestions for savings have arrived at the rate of almost two a day and the company says it has found savings of \$23m as a result, which is no small matter for a company which earned \$55m pre-tax last year

on sales of \$385m. Among the suggestions was one to reduce the number of seams in the arm of Kermit the Frog from two to one, a change worth \$42,000 per year.

The benefits under this scheme, incidentally, set into context the Ford plan, which is much less generous. Ford intends to pay a maximum of 15 per cent of its U.S. pre-tax profits into the sharing pool only if in that year it has made a 6.9 per cent return on sales. Ford's plan has no payout at all until pre-tax return on sales touches 2.3 per cent.

Given this ferment of activity in profit sharing and Esops, it is difficult to sort out the lasting from the ephemeral trend. It is true, for example, that the number of Esops could probably be reduced by at least four-fifths if their tax treatment were changed for the worse, making ordinary pension plans relatively more attractive.

It seems incapable, however, that a century after it began the profit-sharing/employee ownership movement has run into another, stronger momentum towards industrial change: the need to increase industrial efficiency in order to compete with Japan and, in the case of airlines and road hauliers, the need to compete domestically in a newly deregulated environment.

Again to Detroit as the example, profit sharing has been tried before, at American Motors in the 1960s and it failed both because profits were too low (it is said that Mr. Bert Metzger of the Profit Sharing Research Foundation, essential that schemes are not started without the profits potential to make them meaningful) and because the bigger companies in

the industry were then happily wallowing in an atmosphere of little competition and strong demand in which accession to excessive pay demands was easy.

In seeking ways to respond to the Japanese challenge within the framework of American culture, it could well be that employee ownership and profit sharing are part of the answer, especially when linked with the shopfloor work quality and productivity programmes which are now common in the U.S.

It is important, however, to recognise what this movement does not represent. It does not, quite certainly, at this stage show any sign of a workers' control movement, nor even a workers-on-the-board campaign. Even at the former GM Clark plant, which is 100 per cent worker owned, the employees have chosen only minority representation on the company board and apart from Mr Douglas Fraser, the UAW president, who sits on the Chrysler board, there is no union man on the board of a major U.S. corporation (although a union official has been nominated to the Pan Am board).

Many Esops do not even offer voting rights to the individual employees in whose name the shares are held, keeping control in the normally antipathetic hands of a trust. But even where voting rights are fully transferred, experts say that workers invariably either do not use them or use them in a strongly pro-management position.

This is ironic in view of the still standard counter-argument to profit sharing and Esops advanced by most American labour leaders, who say that workers should not be asked to risk their remuneration on management decisions in which they play no part. Everyone's favourite example is the disastrous Ford Edsel of the 1950s, which would not have produced shares of profits for Ford workers had each been blessed with the power and dedication of Superman.

But this reflex union response to the issue of profit sharing ignores a good deal of evidence that profit sharing schemes are often popular, both for the financial rewards they bring and for the sense of involvement they impart, at least in labour intensive businesses, such as shops (Sears Roebuck has one of the oldest and largest schemes in the U.S.) banks and many manufacturing operations.

From the management side, the further growth of profit sharing beyond the recession will require a relaxation of anxieties about "worker domination" and the other cobwebs of socialism which clog the logic of many American business brains. A few managements will also have to surrender the notion that sharing profits, often by some secret, discretionary formula, is a substitute for decent wages or even a decent pension. "There will have," says Bert Metzger, "to be a lot more involvement of workers in the structure and design of programmes."

Men & Matters

Janet returns to the fray

For the second time in eight months Janet Johnstone is flying into London to pick up the pieces at the British section of Amnesty International. The personable 36-year-old American was called in last year by the troubled human rights organisation to sort out the personal problems which were left behind by the dismissal of its director and former Catholic priest, Cosmas Desmond.

Now she is returning to head the section after the fracas which forced out ex-Liberal leader Jeremy Thorpe. Her job should be easier second time round, she guessed over the phone from San Francisco yesterday. But the British section needs a new constitution and has some serious debates ahead of it, she says. Should it allow religious groups and unions to affiliate? Other countries do not. What sort of council should it have? A question which should raise some heat as the fuss continues at meetings this weekend and later in the month over the present council's overwhelming endorsement of Thorpe.

Most important of all, how diligently and vigorously should it conduct its campaigns? Johnstone would obviously like the British section to be more of a thorn in government flesh.

Her own political baptism dates back to Washington in the late 1960s. Yet the Vietnam protests and civil rights movements of that time seem to have marked her less than what she saw when working for Pan-Am out of Frankfurt. She travelled the Third World extensively. "Beautiful scenery and incredible suffering. Poverty everywhere had the same ugly face," she says.

Johnstone, as a result, became head of Amnesty's San Francisco chapter "to help those who could not help themselves." Which, some might say, is just what she is doing now for Amnesty's own members in Britain.

Arthur's boobs

Militant women trade unionists are marching on Arthur Scargill's Camelot to do battle over his unshakable belief that union journals should be sexy. The NUM president-elect's own monthly, Yorkshire Miner, has a "page three girl" in every edition—always a scantily clad young lady related to a mining family. He has defended his views in public and does not intend to change them.

But the documents to come before the TUC women's conference in Bournemouth next week warn: "There are a number of union journals which are currently publishing sexist material... this is an area in which trade unions do not appear to have taken much action by reducing either the sexist element in some of the articles or in particular by cut-

ting out sexist photographs."

The report is sternly: "Although union journals may report on the work of the TUC and their own unions on women's matters, the inclusion of such articles is negated by cartoons, advertisements and 'women's pages' which portray women as either sex symbols or housewives."

What will King Arthur do when he moves his castle to London? He is widely tipped to be taking with him Maurice Jones, editor of the Yorkshire Miner, with a view to promoting him to the chair of The Miner, the NUM's national paper.

An attempt by Jones to make the puritan climes of London more raunchy is bound to provoke hostility from the female members of the TUC general council, any one of whom looks like being a match for Scargill.

Davison's legacy

Though the news raised a few quizzical eyebrows in the City, Ian Hay Davison has resigned as managing partner of accountants Arthur Andersen merely, he says "because it seemed the right time to make the move."

Davison will continue as senior partner and a member of the board of the international firm whose practice in the UK he has vigorously expanded in the past 16 years. When Davison became managing partner in 1966, Andersen had only one UK office, five partners and 146 staff. Now it has nine offices, 85 partners and 1,500 employees. And its fees have increased 15-fold in real terms.

Management of this legacy now goes to Don Hanson, who opened the firm's Manchester office—the first outside London—in 1966 and for the past years has been managing partner for all Andersen's provincial offices. Davison will divide his time in future between client matters and his growing role in the profession at large. He

takes over in July as chairman of the Accounting Standards Committee and is a member of the review board for government contracts as well as a busy figure in the English Institute of Chartered Accountants.

There should be enough spare time, too, to head the projected government inquiry into British Rail if what he describes as "pure speculation" about his casting for the part turns out to be right.

Fishy filets

True Brit diners at the Great Gallery restaurant in the RAC's Pall Mall club are running into language problems, I understand.

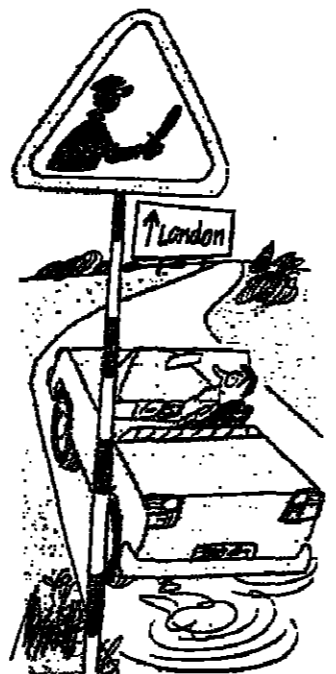
One complained recently to the catering manager about what he called the "jargon French" of the menu's offering of Filets de Sole Caprice. The reply was that it would be inconvenient to print it as "grilled filets of sole cooked in bread-crumbs and served with quartered bananas and chutney." This would go against the grain of the waiters' elegant training, the manager added.

Not to be deterred, the diner points out that the Ritz has recently gone over to an English menu, and that he would be in any case satisfied with plain "Sole Caprice." Some people seem impossible to please.

Splash story

The following, from a Californian company magazine, suggests that life still bubbles merrily in the west. "The flag-decked vessel left the slipway precisely at noon and took to the water. The launching ceremony was performed by our president's charming wife. Alarmist reports that she would slew sideways were proved unfounded."

Observer



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ECONOMIC VIEWPOINT

A pedestrian Budget after all

By Samuel Brittan

IN ITS early years in office the present British Government received a hysterically hostile Press for all its financial policies, whether they were good, bad and indifferent.

The adverse reaction came not only from political opponents, but from the whole of the world of the British economy—the world of the "shake-out" in British industry, the trend away from manufacturing — is directly attributable to "the Government." Associated with this approach was a naive projection of recent unemployment increases indefinitely into the future unless the Government did something "of a highly inflationary kind."

Now, however, the same kind of orthodox conventional

opinion may be giving the Government far too easy a ride. People are accepting far too easily the prospect of unemployment hovering around 3m for the indefinite future. Having erected the bogey of a non-stop downward spiral, they now find real growth rates of 1½ to 2 per cent excessively encouraging, and are too easily reconciled to a level of output in 1984 lower than when the Government came to office in 1979, despite the productivity shakeout that has occurred.

One does not have to be a fanatical growthman to find this an absurd prospect for a country which has an enormous gap to make up between its own performance and that of nearly every other industrial country in Europe and North America. Real growth rates of 3 and 4 per cent p.a. — about which the

Treasury and Department of Economic Affairs used to argue in the 1960s — ought to be possible during a catching-up period, especially if British workers now unemployed or out of the labour force could be priced back into jobs.

The Chancellor has managed to convey the impression that he has miraculously reduced both taxes and the PSBR for 1982-83, a year in which public spending is expected to rise by 1 per cent above the general inflation rate. This conjuring trick has been due to tax increases announced in the 1981 Budget and in December in the form of increased National Insurance contributions — which together gave the Treasury a little over £1bn in hand for Tuesday's Budget. Taking into account the National Insurance contributions, the typical individual tax-

payer will however be paying a higher proportion of his income in direct taxes in 1982-83 than in the year now ending.

Given public expenditure programmes and the reliefs for industry, I would not quarrel with the personal tax decisions — only their misleading presentation. But in its broader economic strategy, the Budget has been — to use no stronger term — very pedestrian. In a sentence, it does far too little to promote employment, and it plays into the hands of those who want to undermine the Medium Term Financial Strategy (MTFS).

There is no contradiction between the two criticisms. A credible commitment to a stable non-inflationary growth of monetary demand for a period of several years and direct labour market measures to promote employment would rein-

force each other.

There was a distinguished short passage of economic speech early in the Budget Speech which got to the root of the unemployment problem. "The key point is this. Somewhere in the gap between the levels of income which we pay to those out of work and the earnings enjoyed by those who have a job, are rates of pay which those now out of work would be glad to take, if they had the chance."

At this point, a former colleague near me in the Gallery and I myself both thought that a surprise measure was coming to encourage employers to price people into jobs. But as time wore on we remarked to each other "The surprise is that there is no surprise."

All we had was the Community Work project as an

alternative to the dole. This is long overdue and far better than nothing. But there was nothing to encourage the provision of permanent jobs of a non-relief kind, no re-examination of the whole pattern of subsidies to capital and penalties on the employment of labour, which so distorts the fiscal structure. The poverty trap is still worse than it was in 1980-81. The MIS relief was given in the most unimaginative throw-a-bone-to-the-CBI way conceivable. Even on the Community Work project, journalists were being reassured from the usual quarters that the Government was anxious not to undercut local authority and construction workers — although the Treasury's own analysis just cited shows that undercutting is the sure way back to full employment.

Lombard Misjudgments about risk

By David Fishlock

A PERSON'S perception of the dangers in our lives is sometimes seriously at variance with the facts of the matter. The significance of this to a highly geared society, where any reduction in an already very low level of risk can invoke expense and disturbance out of all proportion to the benefits, needs airing again, as a fresh campaign is launched to lessen airborne lead pollution.

A chart published by Scientific American recently summarises how differently 30 risks in everyday life are perceived by three disparate sectors of the U.S. public. These sectors are represented by the League of Women Voters, by college students, and by members of business and professional clubs.

Those interviewed were asked to rank the 30 risks in order, from high to low. The chart compares the three rankings with the known annual contribution of the 30 sources of risk to deaths in the U.S.

All three sectors ranked four activities at or near the top of their lists. These were smoking, motor vehicles, hand guns and motorcycles. The four activities rate, respectively, first, third, fourth and sixth in fatal U.S. statistics.

All three sectors perceived alcohol as a lower risk than the figures suggest. The professionals ranked it fifth, women sixth, and students seventh. In fact, it comes second to smoking as a cause of death among Americans.

All three sectors see swimming as much safer than it really is. The death toll puts it seventh, but the professionals ranked it only 17th, the women 19th, and students lowest in their list. Equally at variance with public perception is the danger of electricity, fifth in fact, but with women giving it 18th place, and students and professionals 19th place.

Nuclear power, as a new way of generating electricity, heads the list of risks for both women and students. Professionals take a more sanguine view, ranking it 8th, below firefighting and police work. It actually ranks 20th, below contraceptives and airline flying as a cause of death.

Perhaps for the same reason — that the public's perception

of risk is shaped more by works of fiction than works of fact — all three sectors see police work and firefighting as much riskier occupations than they really are. Professionals even place them slightly higher than either women or students.

Likewise, surgery is seen by all sectors as a somewhat less risky matter than it really is. And American railways are seen by all three — women especially — as much safer than their death toll suggests.

The home, naturally, is seen as a haven but its benevolence is belied by the facts. All three sectors put home appliances near the bottom of their lists. Yet on the chart they come midway, above firefighting and police work.

Disparities

Other striking disparities between perception and fact include the relatively high rating given by students and women to pesticides and aerosol spray cans when they come at the bottom of real risks. But all three sectors seem convinced of the safety of vaccination, rating it still lower than its actual death toll warrants. In the case of X-rays, however, the confidence of all three sectors is simply not substantiated by the facts.

Government's difficulties in attempting to redress the more glaring imperfections in public perception of risk is plain. The British Government is currently campaigning against some of the biggest real risks, such as smoking and motor accidents.

Its big problems, however, lie with the very low risks, too low even to edge their way into the mortality statistics. These are the pressures in which dedicated campaigners can most easily make their appeals.

In Britain today the activities of these campaigners are aimed mainly in four directions: nuclear power (radiation), fluoridation of drinking water, pesticides and airborne lead pollution. On each of these issues it is the Government's clear duty to see that the public benefit as a whole, backed by facts and figures, does not fall casualty to a campaign with a single narrow objective.

Still looking for a financial strategy

THE TREASURY is unhappy about the reaction to the restatement of the MTFS. The supporters of medium term monetary objectives stress that the aim was to reinforce its credibility, by shifting the emphasis from Sterling M3, which has already in practice been abandoned as the principal monetary indicator and to take account of the structural changes in the financial system.

That may have been the intention. But "wet" commentators have had a field day and the articulate market reaction is summarised by Simon and Coates: "The 3 per cent increase in the M3 target for 1982-83 effectively abandons the medium-term financial strategy, and permits a healthy upswing in demand." (It is actually headed Milton Friedman no longer rules, OK? When did he? He thought that the Government sold the pass to the Bank by not insisting on direct regulation of bank reserves through the "monetary base control.")

Unfortunately the Financial Statement or "Red Book" gives the cynics ammunition. Even if they had been given a free hand, the Red Book authors would have had their work cut out by the Chancellor's refusal earlier to explain the switch from Sterling M3 during the last year

when he had already abandoned it in practice.

But their task has been made even more difficult by the obvious pressure from their political masters to avoid at all costs a repetition of their embarrassment over Sterling M3, by steering clear of anything which looks like a commitment. Both conservative politicians and many permanent civil servants have the greatest difficulty in understanding the use of forward numbers as an aid to coherent planning which are not rigid targets to be observed irrespective of circumstances, but which are nevertheless meant to be taken seriously and not just "illustrative."

Indeed this kind of "illustrative" language understates the Chancellor's present commitment to a continuing decline in the Public Sector Borrowing Requirement (PSBR) as a proportion of the national product. But with the demolition of the monetary target, it is no longer good enough to describe the PSBR figures as "illustrative" or state them in a way which suggests straight-line reductions irrespective of the state of the economic cycle.

There is a case for regarding Government borrowing and deficits as crucial to inflation control. The proliferation of

Year	Average annual % change, end each year		
	M1	M3	PSL2
1970	9	9½	10½
1971	9½	13	13
1972	14½	27	10
1973	5	26½	19½
1974	11	10½	10
1975	11	19	16
1976-77	16½	10½	11½
1978-81	8	15½	13
1974-81	13	12½	12

Source: Financial Statistics, FT Statistics Div.

the recent multiplication of "private sector" financial assets has been powerfully aided by a Government-owned body known as the Bank of England. As the chart shows, the run-down in the Bank's holdings of government securities has been offset by a large acquisition of commercial bills (called "other securities"). Indeed the Bank now holds a large proportion of all outstanding commercial bills. The aim, of course, has been to supply the bank with reserves to prevent undesired increases in interest rates.

It is very difficult to distinguish such purchases from "off Budget" government lending to the private sector. This fact is not itself a condemnation. The level of bank deposits needs to grow at an adequate but not inflationary rate; and as many people have pointed out, economic recovery involves at least some expansion of bank credit.

But so long as the Bank takes such an active role — in practice by supplying reserves to support an interest rate objective — the production of financial assets cannot be regarded as a spontaneous private sector phenomenon; and if inflation is not to rise again, some rules are required to regulate the growth of either interest rates

or the monetary aggregate.

The big question about the recent increase in bank deposits, which forms the counterpart of the rise in bank lending, is whether they will be used to support an inflationary rise in total spending or whether there has been a major shift in the ratio of broad money to GNP (in alternative language, a fall in velocity). The shift hypothesis is more likely than not. But experience in the Health period of 1970-74, when the introduction of Competition and Credit Control was used as an argument for not taking seriously the rise in Sterling M3 should induce extreme caution.

The Red Book suggests that the narrow "M1" aggregate may rise above the new 8 to 12 per cent target as a result of falling interest rates. In that case one should look for reductions in the growth of the wider aggregates. If all the aggregates are growing by above the target range, we should be very suspicious indeed.

The assumption in the Red Book of "no major changes in the Exchange Rate" is meant to be taken seriously in determining interest rate policy. A formal target range has been avoided because of events such as oil price explosions or col-

Letters to the Editor

Milk prices: the dairy argument for direct buying

From the Chairman, Healds Dairies.

Sir, — John Cherrington (March 5) evades dealing with the fundamental problem.

First hand buyers have to buy milk from the Milk Marketing Board at prices fixed by Government. Because more than half the milk produced is going into milk manufacture at very low prices the pool price which the board pays to all wholesale producers is diluted.

Ten years ago less than a quarter of all milk produced went into manufacture and so the cost of the subsidy from the retail market was less onerous. It is very different today and will get much worse unless milk

manufacturers (the Milk Marketing Board is by far the largest single manufacturer) pay more for their milk or less milk is produced in total.

At present we are paying 16p per gallon (2p per pint) more to the board than the producer receives, and in some months as much as 20p per gallon (2½p per pint).

I don't blame milk producers near urban areas entering the liquid market: the advantages of working selling to the board are obvious. The producer does not pay the co-responsibility levy, transport charges or the whole cost of subsidising milk for manufactur-

ers, which we call the liquid milk premium.

Unrealistically low prices may be immediately attractive to the consumer. It, however, does not deliver dairymen, eventually the consumer will pay much more and will consume less; where will that leave the British farmer?

I wish we could buy our milk direct: we could give our producers and our customers a much better deal and because of our existing low cost distribution system the producer processor would not be able to compete.

John Heald, Healds Dairies, Didsbury, Manchester.

Tax on gains that are not real

From Mr S. Dow.

Sir — Sir Geoffrey Howe rightly states in his Budget speech that "It is intolerable for people to be permanently condemned to pay tax on gains that are apparent but not real."

By excluding past gains from the indexation provisions, however, he has surely secured that "permanent condemnation" for those who have held assets for up to 17 years and who cannot realise these assets and acquire others of equivalent nominal value without incurring a substantial financial penalty.

It would be a splendid triumph for fiscal fair play if an amendment were passed to remedy this injustice.

S. Dow, 38 Dalziel Drive, Pollockshields, Glasgow.

Soccer's cash crisis

From Mr D. Wright.

Sir, — Dr Peter Bird mentioned one pertinent point in his article on the soccer cash crisis (February 24). In his summary he suggested that clubs "need to reverse the decline in attendance or, at least, to learn to live with it. With the large and constantly increasing number of alternative leisure activities, the number of cars and the wealth of the nation, it is not surprising that 30,000-30,000 spectators on a regular basis is hopelessly optimistic."

Today there are two particularly discouraging features of attending a football match. The first is the time and discomfort of the journey to and from the match. The second is the poor condition of spectator accommodation — such as inaccessible refreshments and inadequate toilets. Developing sports will recognise what the spectators want and soccer will decline until the clubs realise that they must do the same.

What is the only way a football ground will be able to provide comfortable accommodation, ease of access and sufficient parking is if a new ground is built on an out-of-town site. Such a development could be planned in conjunction with other business activities, such as other sports, retailing, etc. Perhaps the sale of a town-centre site would provide all the finance required.

Whatever happens, sporting activities can no longer support 32 professional clubs. Although the market forces will lead to a decline in the number of League clubs naturally, it would seem to be necessary to plan the re-organisation. In this way there could be a League with a small number of strong clubs instead of a large number

Rates can be reduced

From Mr R. Jones.

Sir, — It seems churlish to criticise a Borough Treasurer for being wrong when he had palpably made such a brave attempt to point the way to reduced rates (March 6).

The myth that rates cannot be reduced without affecting the level of service sounds plausible; indeed, it has the ring of truth. But it depends upon the (mistaken) assumption that the rates collected last year and every year before that were necessary for the given level of service. I do not mean this in a general sense; I mean that the system of rate-fixing, which is known as "incremental budgeting" strictly depends upon this assumption.

In the swinging 1960s and even in the swinging 1970s, many local authorities not only held vast amounts of slack in the form of surplus cash, but also, in real terms, increased them. We could not afford slack in the 1970s and so, with 3m unemployed, we can afford it even less now. And not only because we need the purchasing power back in ratepayers' pockets but also because of the ever-present danger that ever-present budgets with slack built in have a tendency to become self-fulfilling prophecies: crises are created to swallow up

Tedious and boring

From Mr R. Hackett.

Sir, — That over half the student population find industry "tedious and boring" strikes me as hardly newsworthy (March 3). I thought that it was an accepted fact that approximately 80 per cent of an average business day consists of dull repetitive tasks, which are occasionally, and temporarily, relieved by the ringing of a telephone, or playing with various "executive" toys. I don't think I am alone in making such an assumption.

Robert C. P. Hackett, Thorvaldsenstr 24, Frankfurt am Main, West Germany.

Synthetic oil production

From the Director, Warren Spring Laboratory.

Sir, — The report (March 4, Technology Paper) by Nick Garnett concerning synthetic oil production from waste requires clarification on some points.

Pyrolysis of waste implies thermal decomposition (destructive distillation) in the absence of air, but one cannot get more out of a process than one puts in. Dr McAuliffe of UMIST is reported as saying that he is not impressed with pyrolysis techniques which produce oil of low calorific value and we would be inclined to agree that this is so with respect to domestic refuse, but it is definitely not the case with waste tyres.

It should be made clear that during our pilot plant testing of the process to be installed in the West Midlands, the oil produced was of consistently high calorific value, generally around 43,000 MJ per tonne with properties comparable to those of No 6 fuel oil, and suitable for direct use by industry. During three years of pilot plant work, at throughput rates of up to 5 tonnes per day, no evidence of corrosion was detected.

The decision to invest in this particular tyre pyrolysis system for the West Midlands was taken only after extensive independent technical and economic evaluations of alternative processes which are at various stages of development in several parts of the world. It is to be regretted that your paper should appear depicting knocking an well-judged initiative by industry aimed at exploiting technology which has been developed in this country. A. J. Robinson, PO Box 20, Gunnels Wood Road, Stevenage, Hertfordshire.

HOW READY IS YOUR READY-MADE FACTORY?

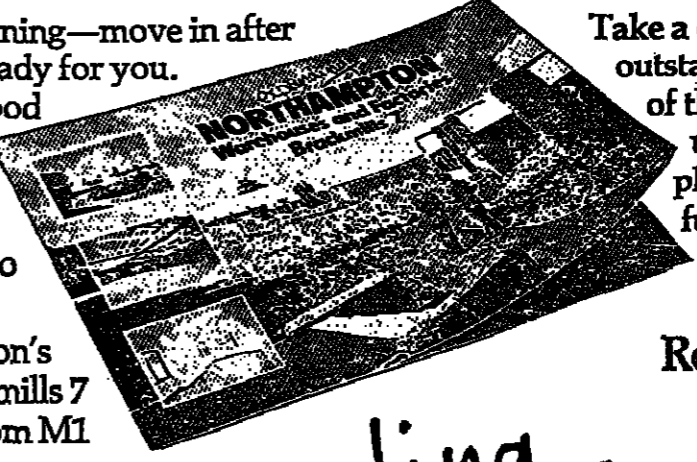
You know the set-up. No heat. No power. No offices. Sign tomorrow then three months before you can move in. Make the best of it. Look for your blessings and then try to count them.

Well, you can forget all that, now Northampton can offer you Brackmills 7. These are the last word in ready-made factories. All the amenities are there. Waiting for you. Ready. Right down to car-parking and landscaping. Everything you need.

Sign in the morning—move in after lunch. We're that ready for you. And there's more good news. Rents go from £2.05 to £2.20 per square foot. Sizes go from 5000 to 20000 square feet. Even the location's on your side. Brackmills 7 is only 5 minutes from M1 junction 15.

And Northampton's not just another new town. It's been growing for 6000 years. Expanding. Maturing. Developing one of the best labour relations records in the country. Adding schools. Social facilities. Homes. Getting Ready for you.

Take a closer look at the outstanding specification of these industrial units and write or phone today for a full colour brochure.



Brackmills 7 Ready-made and Ready now

NORTHAMPTON

Contact Donald McLean on 0604 34734
Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN

TI £23m loss but better trend

AT THE trading level. Tube Investments made a return to profitability in the second half of 1981 with £7.6m for the period, leaving a full-year deficit of £0.6m, compared with a profit of £5.3m in 1980.

point which threatened the viability of the remainder of the BA group, and could not be allowed to continue, the directors explain.

Disposals prop up Woolworth profits

AT THE pre-tax level, final quarter profits of F. W. Woolworth, the retail store group, improved from £32.1m to £34.5m leaving the figures for the 12 months ended January 31, 1982 down my 2.4 per cent at £38.2m, against £39.2m previously.

HIGHLIGHTS
Lex looks at sharply divergent movements in the financial markets yesterday following the Budget. There was a strong performance in index-linked stocks.

Schroders raises final as net profits soar

With profits after tax of Schroders soaring from £8.23m to £14.71m during 1981, the directors have increased the final dividend by 3p to 10.5p. This raises the total payout from 10.5p to 13.5p net.

Institutions backing re-vamped Euroflame

Euroflame Holdings, the troubled wood stove supplier that is being investigated by the Department of Trade, is proposing a capital restructuring that would include raising at least £0.3m in convertible loan stock.

American Oil Fields Systems optimistic

Falling oil prices would have to drop by approximately 40 per cent to make most gas exploration in the U.S. unprofitable, Dr Norman White, chairman of American Oil Fields Systems, told the annual meeting.

Yorkgreen accounts qualified

THE ACCOUNTS of Yorkgreen for the 18 months ended October 31, 1981 have been qualified by auditors Touche Ross in connection with the stated, now 14.72 per cent, in the quoted industrial holding company, Talbec.

Thorn EMI subsidiaries

A sharp downturn in results is reported by two members of the Thorn EMI group in respect of the six months to September 30, 1981.

Nottingham Mfg. orders up

Indications are that trading conditions will remain difficult in 1982, Mr Harry Djanogly, chairman of the Nottingham Manufacturing Company, tells members in his annual report.

Energy Finance

Energy Finance and General Trust Holdings announce that acceptances were received representing some 68.4 per cent of the new ordinary shares offered by way of rights.

Blundell Permoglaze optimistic

Despite the severe weather conditions in December and January, trading of Blundell Permoglaze Holdings for the first four months of its financial year was in line with expectations, Mr Robert White, chairman, said yesterday at the annual meeting.

RECEIVER FOR B. J. PLANT

Peter Davies and David Snowden of chartered accountants Peat, Marwick, Mitchell and Co., Birmingham, have been appointed joint receivers and managers of Kirby Dartford, and Box Machinery (Rugby). Both companies are engaged in the manufacture and maintenance of packing machines.

BRITISH AMERICAN AND GENERAL TRUST PLC

"An International Investment Trust"
Year ended 31st December 1981
Dividend: 3.57p per share + 6.25%
Net Asset Value: 69.6p per share + 8.9%

WORLDWIDE

There are some things which you just can't manage from a UK office. Which is why BTR is based worldwide.

William Whittingham Group

* Progress in difficult trading conditions.
* Net borrowings decrease.
* Group net assets increased to £9.9m.

Table with 2 columns: 1981, 1980. Rows include Operating profit, Interest on loans, Leaving, Realised capital, Total profit, Consolidated balance sheet, Capital and disclosed, Minority interests, Loans, Making, Deferred tax, Deposits and inner, Accruals, Other fixed assets, Loans and advances, Leasehold, Other assets, etc.

Table with 2 columns: 1981, 1980. Rows include Turnover, Profit, Profit before tax, Profit after tax.

BTR Limited, Silvertown House, Vincent Square, London SW1P 2PL. 01-634 3848.

Copies of the accounts obtainable from: The Secretary, William Whittingham (Holdings) Ltd., P.O. Box 60, Ettingshall Road, Wolverhampton, WV1 2JT.

Dividends Announced

Table with 4 columns: Company Name, Current payment, Date of payment, Total payment. Includes Alcan Aluminium (UK), British Aluminium, R. Green Properties, etc.

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LEGAL NOTICE

IN THE MATTER OF THE COMPANIES (JERSEY) LAWS 1981 TO 1988 AND IN THE MATTER OF COMPANIES (JERSEY) LIMITED (In Voluntary Liquidation) Registered Office: Kirkella House, 16 Val Patisant, St. Helier, Jersey

PERSONAL

FACT
It does not choose its victims from any particular part of society. It is - DIABETES
Join us - Help us Support us THE BRITISH DIABETIC ASSOCIATION 10 Queen Anne Street London W1M 0BD

CLUBS
THE GUILD OF ST. JAMES'S, London's first and oldest businessman's club. Not a member of the club, but a member of the Guild of St. James's, London's first and oldest businessman's club. Not a member of the club, but a member of the Guild of St. James's, London's first and oldest businessman's club.

Companies and Markets

UK COMPANY NEWS

Baco loses £20m at Invergordon

ADVERSE trading conditions were reflected in the taxable deficit of £22.3m at the British Aluminium Company for the year 1981, of which £20m related to the Invergordon closure. This compared with a previous surplus of £12.1m. Turnover slipped from £378.13m to £367.74m.

The final dividend has been passed. The previous net total payment was 7.5p, including a final of 2p. In the second half taxable losses amounted to £13.47m compared with previous profits of £2.84m. The interim payment was also passed. Stated losses per 50p ordinary share this time came to 48.6p, against earnings of 19.7p.

The write-off for the gross cost of the Invergordon smelter less depreciation came to £56.98m. There was a credit for deferred income of £8.08m. Closure costs came to £17.34m. Reorganisation and other extraordinary costs, excluding Invergordon, came to £20.37m.

The tax charge of £1m (£2.38m) is mainly accounted for by overseas tax. Net borrowings rose from £29.5m to £42.2m and represented 41 per cent of shareholders' funds. In addition to trading losses and rationalisation costs, the cash flow reflects investment in the Lochaber smelter, partly offset by a net receipt of £16.5m arising from the Invergordon settlement.

Alcan (UK) dives into £25m loss

PRE-TAX losses of £25.7m are reported by Alcan Aluminium (UK) for 1981 against profits of £3.2m in 1980. This follows a first half deficit of £9.9m compared with profits of £7.2m. Sales of this wholly-owned subsidiary of Alcan Aluminium of Montreal, fell from £335.7m to £306.7m. No dividend is being paid compared with 3.5p previously.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Table with columns for company names and meeting dates. Includes: Interim—Matthews, Clarke, Corson; Interim—Anglo American Gold Investment; Interim—Anglo American Industrial; Interim—Anglo American Paper; Interim—Anglo American Petroleum; Interim—Anglo American Shipbuilding; Interim—Anglo American Transport; Interim—Anglo American Waterways; Interim—Anglo American Wire; Interim—Anglo American Zinc; Interim—Anglo American Chemicals; Interim—Anglo American Electronics; Interim—Anglo American Food; Interim—Anglo American Glass; Interim—Anglo American Leather; Interim—Anglo American Metals; Interim—Anglo American Plastics; Interim—Anglo American Rubber; Interim—Anglo American Textiles; Interim—Anglo American Toys; Interim—Anglo American Miscellaneous.

Dewhurst Dent losses increase

LOSSES of Dewhurst Dent, the glove manufacturing and warehouse group, increased from £1.33m to £1.46m in the year to July 19 1981, and dividend payment has again been passed.

December has again declined, due partly to bad weather. In view of this, the directors say they cannot foresee a return to profitability in 1981/82.

Turnover for the year under review fell from £20.01m to £18.51m, and losses were struck after extraordinary depreciation of £279,000 and losses attributable to Spencer Rotherham of £789,488. A further provision for the cost of running down this operation has been transferred to reserves.

Eurotrust moves ahead at six months

A RISE in post-tax revenue was shown by Eurotrust from £2.40m to £3.00m for the six months to December 31 1981. Gross income moved ahead from £108,000 to £146,000, which included a rise in untraded income from £37,000 to £15,000.

R. Green Properties moves ahead

PRE-TAX PROFITS of R. Green Properties rose from £508,000 to £667,000 for the half year to December 31 1981 on turnover up from £1.88m to £2.41m. A net interim dividend of 0.8p (0.7p) per 10p share has been declared. Earnings per share were stated as 3.04p, against 2.42p. Last year a final of 1.5p was paid out of taxable profits of £1.2m.

Lunuva Tea & Rubber profit decline

Taxable profits of the Lunuva (Ceylon) Tea and Rubber Estates fell from £726,505 to £369,233 last year after a nil surplus on disposal of investment compared with £476,734 last time.

AID profits up—pays 0.3p

DESPITE exceptional debits of £88,535 for the period, and lower interest receivable, pre-tax profits of Allied International Designers Group were ahead at £129,388 for the 12 months ended October 31 1981, compared with £103,413 for the previous 19 months.

Mr James Priditch, chairman, says the directors view the current year with confidence and feel that the investment during 1980/81 will produce tangible benefits in 1982.

The group has also made a working agreement with the Unilever's Management Consultancy Company for new product development services internationally.

Management expenses and interest fell from £10,400 to £9,400. The charge for taxation rose from £8,000 to £43,000. Earnings per 25p share were stated as higher at 0.7p (0.03p).

Receivers for Funkton UK

Richard Archer and Alastair Jones of chartered accountants Peat, Marwick, Mitchell and Company, have been appointed joint receivers and managers of Funkton (UK), of Redditch.

Evode looks to recover volume

THE comparability of the half year's results of Evode Holdings with last year will largely depend on the recovery of volume lost during December and the early part of January, says Mr A. H. Simon, the chairman, in his annual statement.

However, the severe winter weather and disruption caused by the railway strike will affect results for December and January, which are traditionally months with a lower level of sales activity. Roofing has, to date, been particularly hit by the weather.

At the year end, shareholders' funds were ahead from £2.74m to £1.07m. Fixed assets totalled £6.41m (£4.98m) but net current assets fell slightly from £4.98m to £4.74m.

Two major problems in cycles and primary aluminium manufacture have received intense management attention. In the cycle business the scale of operation has been cut back, resulting in a 30% reduction in the numbers employed during 1981.

Heavy loss in 1981 - but the worst is now behind us



Sir Brian Kelleet, Chairman of TI, in a press interview yesterday, said that as foreshadowed at the time of the interim statement TI's results showed a substantial improvement in the second half of 1981, confirming that TI has passed the trough in its performance.

content with an unprecedented economic recession. In addition the continuing strength of sterling has had severe effects on competitiveness and export profitability.

and overhead structures. Over the past two years TI's numbers employed in the UK have been reduced by about 30% from 53,000 to 37,000.

Two Major Problems Two major problems in cycles and primary aluminium manufacture have received intense management attention. In the cycle business the scale of operation has been cut back, resulting in a 30% reduction in the numbers employed during 1981.

Results by Business Area

Dividend A year ago, in reducing the total payment for 1980 to 15p, the Directors hoped to have established a new lower dividend base from which it would be possible to move forward.

Table with columns for 1980 and 1981, and rows for External sales, Trading profit, Interest payable, Profit/(Loss) before taxation, Taxation, Minority interests, Earnings, Extraordinary items, Dividends, Earnings per £1 ordinary stock.

Table with columns for 1980 and 1981, and rows for Aluminium External Sales, Trading profit, Cycles & toys External sales, Trading profit, Domestic appliances External sales, Trading profit, Steel tube External sales, Trading profit, Specialised engineering products External sales, Trading profit, Total External sales, Trading profit.

Table with columns for 1980 and 1981, and rows for Consolidated balance sheet 31st December 1981, Net assets employed, Fixed assets, Deferred revenue expenditure, net, Investments, Current assets, Deduct current liabilities, Financed by Issued capital, Reserves, Interests of minority shareholders, Total shareholders' funds, Loans, Deferred liabilities and credits, % total net borrowing to total shareholders' funds.

Brown Bros. falls sharply into loss

FOR the 16 months to October 31 1981 Brown Brothers Corporation, wholly owned by Dana Corporation of the U.S., reported a pre-tax loss of £1.33m compared with a profit of £4.16m for the previous year.

Long & Hambly omits Pref.

Long and Hambly, the loss-making rubber and plastic moulder, has decided not to pay the dividend due on the company's 4.5 per cent cumulative preference shares for the half year ended last month.

Receivers for Funkton UK

Richard Archer and Alastair Jones of chartered accountants Peat, Marwick, Mitchell and Company, have been appointed joint receivers and managers of Funkton (UK), of Redditch.

RESULTS AND ACCOUNTS IN BRIEF

SCOTTISH AGRICULTURAL INDUSTRIES (62.4 per cent owned by ICI)—Results for 1981 reported February 5. Group fixed assets £10,255m; net current assets £2,877m (£2,233m); shareholders' funds £20,544m (£20,877m). Meeting: Edinburgh, March 25, noon.

UK COMPANY NEWS

Companies and Markets

Holmes à Court ups ACC stakes to £60m

BY JOHN MOORE, CITY CORRESPONDENT

Associated Communications Corporation, the entertainment conglomerate built up by Lord Grade, yesterday received two more offers for the company from Mr Robert Holmes à Court, the Australian entrepreneur. The Australian's latest and highest offer values ACC at over £80m. In January Mr Holmes à Court made a first bid which placed a value of £36m on ACC. He has been forced to raise his offers for the company through counter bids and legal action by Hertz Corporation, the diversified private company headed by Mr Gerald Ronson. In all, five offers for ACC have been announced by Mr Holmes à Court and two by Hertz.

Mr Holmes à Court's two offers announced last night have been made through an associate of his master company the Bell Group. The company through which Mr Holmes à Court is making the new offers is TVW Enterprises, a publicly quoted Australian television company. The earlier bid had been made through Bell.

At this stage in his bid campaign, and at the insistence of the Takeover Panel, Mr Holmes à Court on Tuesday appointed advisers to deal with the latest bids. Bank of America Inter-

national is dealing with the new offers on behalf of Mr Holmes à Court's business interests. The two offers announced by TVW Enterprises last night are as follows:

TVW No 1 offer. Holders of the non-voting "A" shares in ACC are offered £1.10 per share in cash which places a value of £59.7m on the non-voting equity. Holders of the crucial voting shares will receive a price determined in accordance with the articles of association of ACC. Voting shareholders could receive around £4.40 per share assuming the formula in the articles of association is used, and which would value the voting equity at £80,000.

The number 1 offer is conditional on TVW obtaining acceptances in respect of not less than 50 per cent of the ordinary shares including any such shares presently owned by Bell or acquired by Bell pursuant to the offer.

If offer number one is successful it is the intention of TVW to apply the provisions of section 209 of the Companies Act 1948 to acquire compulsorily any outstanding shares.

In the event of offer number one not receiving the required

acceptances and the number two offer succeeding it is the intention of TVW to take the necessary steps within its power to enfranchise the "A" shares and maintain ACC's quotation on the stock exchange.

It was not clear last night whether an offer worth 95p per share for the non-voting shares of ACC by Bell Group announced last Saturday would still be running currently with the latest TVW offers. Mr Holmes à Court was forced to raise his offer by 10p per share for the non-voting shares last weekend following a week of share purchases by TVW which caused a breach of the Takeover Code. Since TVW paid

up to 95p per share for its purchases in the London stock market, the panel forced an increase in the bid.

Mr Holmes à Court has been asked to meet a specially convened formal session of the Takeover Panel early next week to discuss the events leading up to the breach of the takeover code.

Hertz was last night studying the changed situation. It was expected to issue its formal offer document yesterday detailing its 90p per share offer but decided to hold back until it had seen more details of the Australian's latest offers.

On the stock market ACC non-voting "A" shares rose 8p to 105p.

BY ORDER OF THE UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

In re AMERICAN COMMUNICATIONS INDUSTRIES, INC., a Delaware corporation, Debtor.

NO. LA 81-17632-JB (Chapter 11)

In re AMERICAN CINEMA RELEASING, INC., a California corporation, Debtor.

NO. LA 81-17633-JB (Chapter 11)

In re AMERICAN CINEMA PRODUCTIONS, INC., a California corporation, Debtor.

NO. LA 81-17634-JB (Chapter 11) NOTICE OF CLAIMS AND INTERESTS BAR DATE (LAST DAY TO FILE CLAIMS) AND OF CLAIMS PROCEDURE

TO: CREDITORS AND EQUITY SECURITY HOLDERS OF AMERICAN COMMUNICATIONS INDUSTRIES, INC., AMERICAN CINEMA RELEASING, INC. OR AMERICAN CINEMA PRODUCTIONS, INC. AND TO ANY PERSON OR GOVERNMENTAL UNIT THAT ASSERTS A CLAIM AGAINST ANY OF SAID ENTITIES:

PLEASE TAKE NOTICE: The United States Bankruptcy Court for the Central District of California (Honorable John E. Bergener, presiding) has entered its Order requiring all entities that assert claims against interests in American Communications Industries, Inc., American Cinema Releasing, Inc. or American Cinema Productions, Inc. (the "Debtors"), and that wish to vote on a plan of reorganization or to share in any of these estates to file proof of claims or interests on or before 4:00 p.m. Los Angeles Time, April 12, 1982. A claim or interest not filed by that time will be FOREVER BARRED from participating in any of these estates, from voting with respect to any plan of reorganization filed in the within Chapter 11 cases and from receiving any distribution under such plan of reorganization; nevertheless, the holder of such unfiled claim or interest shall be bound by the terms of any such plan of reorganization if such plan is confirmed by the Bankruptcy Court.

ALL CLAIMS AND INTERESTS MUST BE FILED ON THE APPROPRIATE COLOR FORM, AND MUST BE FILED BY MAIL WITH THE OFFICE OF THE BANKRUPTCY CLERK, UNITED STATES BANKRUPTCY COURT, UNITED STATES COURTHOUSE, ROOM 906, 312 NORTH SPRING STREET, LOS ANGELES, CALIFORNIA 90012 OR BY DELIVERY TO THE CLERK AT THAT ADDRESS.

PLEASE NOTE: Since the Debtors have separated their unsecured trade debt into two distinct classes, different color proof of claim forms are being utilized to determine what type of claim their creditors are asserting. If your trade claim arises as a result of goods provided or services rendered to any one of the Debtors on or after July 17, 1981, directly and solely pertaining to the motion pictures "The Entity," "I, The Jury," "Tough Enough," "Beatlemania," or "Force Five," you should file your claim on a PINK proof of claim form. If you have any other unsecured trade claim against any of the Debtors, including a claim arising from the rejection of an executory contract or an unexpired lease, you should file your claim on a BLUE proof of claim form. If your claim or equity security interest does not fall into one of these two categories, you should file your claim on a WHITE proof of claim or interest form. Copies of pink, blue and white proof of claim or interest forms may be obtained by written request to Richard Kaufman, Credit Manager's Association of Southern California, 2300 West Olympic Blvd., Los Angeles, California, 90010.

The relevant portion of this Court's Order follows:

ORDERED that:

1. Any entity that asserts a claim against the Debtors, or any of them, and that desires to have such claim allowed in these cases, or in any of them, and thereby participate in any plan of reorganization filed in the within Chapter 11 cases, must file a proof of claim, on the proper color form, as set forth in the "Notice of Claims and Interest Bar Date (Last Day to File Claims) and of Claims Procedure," pursuant to Local Bankruptcy Rule 3001(b)(1)(B) and Rules of Bankruptcy Procedure 10-101(b)(3)(B) and 11-33.

2. Any entity that in the past or at the present time asserts an equity security interest in the Debtors, or in any of them, or that asserts a claim as a holder of any of the Debtors' debt securities and that desires to have such interest or claim allowed in these cases, must file a proof of that interest or claim on the proper color form, as set forth in the "Notice of Claims and Interest Bar Date (Last Day to File Claims) and of Claims Procedure," with the Clerk of this Court on or before 4:00 p.m. Los Angeles Time, April 12, 1982.

3. All proofs of claims and interest that are required to be filed under paragraph 1 and 2 hereof shall be filed on the appropriate color form as set forth in the "Notice of Claims and Interest Bar Date (Last Day to File Claims) and of Claims Procedure," with the Clerk of this Court on or before 4:00 p.m. Los Angeles Time, April 12, 1982.

4. Claims of the codebtors, sureties, or guarantors, that may be filed under Bankruptcy Code § 501(b), Local Bankruptcy Rule 3002, and Rules of Bankruptcy Procedure 10-102 and 11-33(d), and claims to be filed by the Debtors or Debtors in Possession on behalf of a creditor under Bankruptcy Code Section 501(c), Local Bankruptcy Rule 3004, or Rule of Bankruptcy Procedure 11-33(e), may be filed at any time after the date of this Order, but shall be filed with the Clerk of this Court on or before 4:00 p.m. Los Angeles Time, April 27, 1982.

5. Any entity that asserts a claim against Debtors, or any of them, arising out of the rejection of the Debtors' or any of them, of an executory contract or unexpired lease, or arising out of the recovery by the Debtors in Possession of a voidable transfer, or arising out of the incurrence of certain taxes, as described in Bankruptcy Code Sections 502(g), 502(h), or 502(i), respectively, and that wishes to have such claim allowed in these cases, or any of them, must file a proof of such claim with the Clerk of this Court within 30 days after entry of an order approving rejection of the executory contract or unexpired lease, within 30 days after entry of an order or judgment approving a transfer, or within 30 days after the relevant tax claim arises.

6. Pursuant to Bankruptcy Code Section 501(a), Local Bankruptcy Rule 3001(b)(6) and Rule of Bankruptcy Procedure 10-101(b)(6), an indenture trustee, as defined in Bankruptcy Code Sections 101(22) and 101(23), may file a proof of claim on the proper color form, as set forth in the "Notice of Claims and Interest Bar Date (Last Day to File Claims) and of Claims Procedure," for holders of the Debtor's debt securities issued under the indenture under which the indenture trustee serves within the time fixed by paragraph 3 of this Order. Any such claim filed by an indenture trustee shall be reduced or disallowed (in whole or in part) to any extent that (a) a claim on account of a particular security represented by that indenture trustee and included within its claim is disallowed by order of this Court, (b) such a security is held by the Debtors or Debtors in Possession, or (c) the Court orders otherwise with respect to such a security. Any such claim shall be reduced, disallowed or subordinated (in whole or in part), based on the equities of the particular instance, to any extent that a claim on account of a particular security represented by that indenture trustee and included within its claim is subordinated under Bankruptcy Code Section 510.

13. Any entity that asserts a claim against, or an equity interest in, the Debtors, or any of them, and that is required by this Order to file but does not file a proof of such claim or interest within the time fixed by this Order, shall:

(a) be forever barred from (i) participating in any of these estates, (ii) voting with respect to any plan of reorganization filed in the within Chapter 11 cases, and (iii) receiving any distribution under any such plan of reorganization pursuant to Local Bankruptcy Rule 3001(b)(2)(E) and a Rule of Bankruptcy Procedure 10-101(b)(3)(E), and (b) be bound by the terms of any such plan of reorganization if such plan is confirmed by this Court.

14. Notwithstanding anything contained in this Order to the contrary, any proof of claim or interest properly filed with the Clerk of this Court prior to the mailing of the notice in accordance with paragraph 7 of this Order, shall be deemed to be and shall be treated as a properly filed claim or interest, as the case may be, subject to the right of the Debtors or any party in interest to object to the allowance thereof.

John E. Bergener UNITED STATES BANKRUPTCY JUDGE

LONDON TRADED OPTIONS

Mar. 10 Total Contracts 1,705 Calls 1,368 Puts 341

Option	Exercise price	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close
BP (c)	280	10	1	18	5	18	1	272p
BP (p)	300	9	25	1	1	1	1	260
BP (p)	250	24	7	28	6	30	1	240
BP (p)	200	17	1	18	6	24	1	145p
CU (c)	140	9	12	12	1	12	1	140
CU (c)	130	17	1	1	1	1	1	145p
Cons. Gld/c	360	20	10	32	11	42	6	569p
Cons. Gld/c	390	10	3	20	8	30	1	569p
Cons. Gld/c	420	8	1	1	1	1	1	569p
Cons. Gld/c	450	8	1	1	1	1	1	569p
Cons. Gld/c	480	14	1	1	1	1	1	569p
Cons. Gld/c	510	17	1	1	1	1	1	569p
Cons. Gld/c	540	17	1	1	1	1	1	569p
Cons. Gld/c	570	9	1	1	1	1	1	569p
Cons. Gld/c	600	14	1	1	1	1	1	569p
Cons. Gld/c	630	17	1	1	1	1	1	569p
Cons. Gld/c	660	17	1	1	1	1	1	569p
Cons. Gld/c	690	17	1	1	1	1	1	569p
Cons. Gld/c	720	17	1	1	1	1	1	569p
Cons. Gld/c	750	17	1	1	1	1	1	569p
Cons. Gld/c	780	17	1	1	1	1	1	569p
Cons. Gld/c	810	17	1	1	1	1	1	569p
Cons. Gld/c	840	17	1	1	1	1	1	569p
Cons. Gld/c	870	17	1	1	1	1	1	569p
Cons. Gld/c	900	17	1	1	1	1	1	569p
Cons. Gld/c	930	17	1	1	1	1	1	569p
Cons. Gld/c	960	17	1	1	1	1	1	569p
Cons. Gld/c	990	17	1	1	1	1	1	569p
Cons. Gld/c	1020	17	1	1	1	1	1	569p
Cons. Gld/c	1050	17	1	1	1	1	1	569p
Cons. Gld/c	1080	17	1	1	1	1	1	569p
Cons. Gld/c	1110	17	1	1	1	1	1	569p
Cons. Gld/c	1140	17	1	1	1	1	1	569p
Cons. Gld/c	1170	17	1	1	1	1	1	569p
Cons. Gld/c	1200	17	1	1	1	1	1	569p
Cons. Gld/c	1230	17	1	1	1	1	1	569p
Cons. Gld/c	1260	17	1	1	1	1	1	569p
Cons. Gld/c	1290	17	1	1	1	1	1	569p
Cons. Gld/c	1320	17	1	1	1	1	1	569p
Cons. Gld/c	1350	17	1	1	1	1	1	569p
Cons. Gld/c	1380	17	1	1	1	1	1	569p
Cons. Gld/c	1410	17	1	1	1	1	1	569p
Cons. Gld/c	1440	17	1	1	1	1	1	569p
Cons. Gld/c	1470	17	1	1	1	1	1	569p
Cons. Gld/c	1500	17	1	1	1	1	1	569p
Cons. Gld/c	1530	17	1	1	1	1	1	569p
Cons. Gld/c	1560	17	1	1	1	1	1	569p
Cons. Gld/c	1590	17	1	1	1	1	1	569p
Cons. Gld/c	1620	17	1	1	1	1	1	569p
Cons. Gld/c	1650	17	1	1	1	1	1	569p
Cons. Gld/c	1680	17	1	1	1	1	1	569p
Cons. Gld/c	1710	17	1	1	1	1	1	569p
Cons. Gld/c	1740	17	1	1	1	1	1	569p
Cons. Gld/c	1770	17	1	1	1	1	1	569p
Cons. Gld/c	1800	17	1	1	1	1	1	569p
Cons. Gld/c	1830	17	1	1	1	1	1	569p
Cons. Gld/c	1860	17	1	1	1	1	1	569p
Cons. Gld/c	1890	17	1	1	1	1	1	569p
Cons. Gld/c	1920	17	1	1	1	1	1	569p
Cons. Gld/c	1950	17	1	1	1	1	1	569p
Cons. Gld/c	1980	17	1	1	1	1	1	569p
Cons. Gld/c	2010	17	1	1	1	1	1	569p
Cons. Gld/c	2040	17	1	1	1	1	1	569p
Cons. Gld/c	2070	17	1	1	1	1	1	569p
Cons. Gld/c	2100	17	1	1	1	1	1	569p
Cons. Gld/c	2130	17	1	1	1	1	1	569p
Cons. Gld/c	2160	17	1	1	1	1	1	569p
Cons. Gld/c	2190	17	1	1	1	1	1	569p
Cons. Gld/c	2220	17	1	1	1	1	1	569p
Cons. Gld/c	2250	17	1	1	1	1	1	569p
Cons. Gld/c	2280	17	1	1	1	1	1	569p
Cons. Gld/c	2310	17	1	1	1	1	1	569p
Cons. Gld/c	2340	17	1	1	1	1	1	569p
Cons. Gld/c	2370	17	1	1	1	1	1	569p
Cons. Gld/c	2400	17	1	1	1	1	1	569p
Cons. Gld/c	2430	17	1	1	1	1	1	569p
Cons. Gld/c	2460	17	1	1	1	1	1	569p
Cons. Gld/c	2490	17	1	1	1	1	1	569p
Cons. Gld/c	2520	17	1	1	1	1	1	569p
Cons. Gld/c	2550	17	1	1	1	1	1	569p
Cons. Gld/c	2580	17	1	1	1	1	1	569p
Cons. Gld/c	2610	17	1	1	1	1	1	569p
Cons. Gld/c	2640	17	1	1	1	1	1	569p
Cons. Gld/c	2670	17	1	1	1	1	1	569p
Cons. Gld/c	2700	17	1	1	1	1	1	569p
Cons. Gld/c	2730	17	1	1	1	1	1	569p
Cons. Gld/c	2760	17	1	1	1	1	1	569p
Cons. Gld/c	2790	17	1	1	1	1	1	569p
Cons. Gld/c	2820	17	1	1	1	1	1	569p
Cons. Gld/c	2850	17	1	1	1	1	1	569p
Cons. Gld/c	2880	17	1	1	1	1	1	569p
Cons. Gld/c	2910	17	1	1	1	1	1	569p
Cons. Gld/c	2940	17	1	1	1	1	1	569p
Cons. Gld/c	2970	17	1	1	1	1	1	569p
Cons. Gld/c	3000	17	1	1	1	1	1	569p
Cons. Gld/c	3030	17	1	1	1	1	1	569p
Cons. Gld/c	3060	17	1	1	1	1	1	569p
Cons. Gld/c	3090	17	1	1	1	1	1	569p
Cons. Gld/c	3120	17	1	1	1	1	1	569p
Cons. Gld/c	3150	17	1	1	1	1	1	569p
Cons. Gld/c	3180	17	1	1	1	1	1	569p
Cons. Gld/c	3210	17	1	1	1	1	1	569p
Cons. Gld/c	3240	17	1	1	1	1	1	569p
Cons. Gld/c	3270	17	1	1	1	1	1	569p
Cons. Gld/c	3300	17	1	1	1	1	1	569p
Cons. Gld/c	3330	17	1	1	1	1	1	569p
Cons. Gld/c	3360	17	1	1	1	1	1	569p
Cons. Gld/c	3390	17	1	1	1	1	1	569p
Cons. Gld/c	3420	17	1	1	1	1	1	569p
Cons. Gld/c	3450	17	1	1	1	1	1	569p
Cons. Gld/c	3480	17	1	1	1	1	1	569p
Cons. Gld/c	3510							

Companies and Markets

MINING NEWS

Five new coal developments for NSW

THE GOVERNMENT of New South Wales plans to release five new areas for coal mining, estimated to contain around 2bn tonnes of recoverable coal, according to Mr Neville Wran, the state's Prime Minister.

The areas, in the coal-rich Hunter Valley north of Sydney, are expected to produce an eventual 15m tonnes of coal a year, reports Patricia Newby from Canberra. The coal is principally of the type useful for power generation.

Mr Wran said his government is inviting applications for leases from interested companies, with the main consideration being the achievement of the maximum return for the state.

Coal producers in New South Wales are currently in dispute with the state government over a recent 25 per cent increase in freight charges. This came on top of a wage rise of A\$65 (£37) a week for coal miners and a A\$1 per tonne federal government levy on steaming coal exports imposed last August.

Mr Wran conceded that loading and shipping facilities at Newcastle will have to be improved before the new mines come on stream. Congestion at the port frequently leaves as many as 30 ships waiting to load coal anchored offshore waiting for a berth.

Harmony pays a 50c final

A REDUCED final dividend of 50 cents (50p) for 1981 is declared by Harmony, the South African gold and uranium producer in the Rand Mines group.

The latest payment is in line with expectations and makes a total of 210 cents for the year compared with 360 cents for 1980. Harmony shares were 530p yesterday.

JINGELLE GRADES ENCOURAGE PACIFIC COPPER

Canada's Pacific Copper Mines has reported some encouraging preliminary results from the exploration programme at its 100 per cent-owned tin-tungsten property at Jingelle in New South Wales.

The average combined grade so far is above the 1 per cent level, and the company is currently drilling ahead in an attempt to lift recoverable reserves to more than 500,000 tonnes.

Ayer Hitam has good first-half

BY KENNETH MARSTON, MINING EDITOR

ONE OF Malaysia's leading tin producers, Ayer Hitam, reports a net profit of M\$2.95m (£701,500) for the six months to December 31 which compares with M\$2.27m in the same period of the previous year. The latest earnings per share come out at 48 cents (11.4p) per share and the interim dividend is being reduced by 10 cents to 50 cents.

Ayer Hitam benefited from both increased production and higher tin prices in the past half year but the dredges will be working in lower grade ground during the second half. Consequently the company expects some falling off in profits.

A halved net profit of M\$312,000 before extraordinary items is reported by Tongkah Harbour Tin Dredging for the

six months to December 31. But exchange losses resulting from the devaluation of the Thai baht leave the company with a loss of M\$152,000.

In the same period of the previous year, Tongkah Harbour made a surplus of M\$3.88m on the sale of its mining assets in Thailand to a 30 per cent owned associate company and finished up with a profit for the period of M\$4.32m. The net profit for the full year to last June amounted to M\$5.82m.

Not surprisingly, the company is passing its interim for the current year. However, it is pointed out that current results from the associated company are encouraging, and if maintained, they should lead to an improvement in Tongkah Harbour's second-half profits.

Israeli gem imports

THE ISRAELI Ministry of Commerce and Industry has decided to permit the import into the country, duty and tax free, of polished diamonds from other cutting centres, reports our Tel Aviv correspondent.

Israeli firms will be able to offer foreign diamond buyers the widest possible selection of finished goods. The imports will complement the output of the Israeli plants which concentrate largely on melee (ranging in size from 40 to two stone per carat), as well as "fancy" shapes and other special makes.

Following the enactment of the new regulations, a number of foreign diamond firms have reported plans to establish trading offices in Tel Aviv.

Meanwhile, a slight recovery in exports of Israeli-cut stones was recorded in February when overseas sales exceeded \$80m, or 1 per cent above the same month of 1981. This brought aggregate exports for the first two months of this year to \$166m.

Property deal ends at Rush & Tompkins

Rush and Tompkins, the property and building group, and Carroll Group, the Dublin-based cigarette and tobacco group, have ended their joint development of a Chelmsford property site.

The two groups have exchanged shares in two jointly-held subsidiaries with the effect that one, Dukes Park Industrial Estate, is 100 per cent owned by Rush and Tompkins while the other, Adamvale, is 100 per cent owned by Carroll.

The two companies set up the jointly-held groups in 1976. Since then, Dukes Park has been developing a 55-acre industrial estate while Adamvale has been developing a 10-acre residential site adjoining the estate.

To date, 460,000 sq ft of space has been developed on the industrial estate and 170 houses have been built on the residential land.

The two companies said that the share exchange is in line with Rush and Tompkins' policy of reducing its residential development activities and concentrating on commercial and industrial development. The exchange also complements the Carroll Group's policy of consolidating its residential land ownerships in the south-east while expanding its commercial and industrial development programme.

Mr Peter Trev, a director of Rush and Tompkins, said yesterday that the amount of shares exchanged were "nominal".

Stag results held steady

ACTION taken by Stag Furniture Holdings to improve the trading results at Avalon furniture has led to a more satisfactory level of activity, the directors state. Group taxable profits for the year to December 25 1981 were lower at £1.34m against £1.47m previously after £708,000 (£244,000 at halfway).

The directors point out that although trading losses at Avalon have been reduced, they have not yet been eliminated. Group trading continues to be difficult, they state, and there is no sign yet of any sustained improvement in demand. However, they add, sales and profits for the first two months of 1982 compare favourably with those

in the previous corresponding period.

The final dividend has been held at 3.25p which repeats the total payment at 5p. Earnings per 25p share are slightly lower at 10.4p, compared with 12p.

The balance sheet continues to show a strong, stable liquid position, say the directors, with cash increased to £1.86m. Turnover remained steady at £27.91m, compared with £27.85m. Tax this time took £288,000. Retained earnings fell from £337,000 to £417,000.

On a CCA basis, pre-tax profits were £1.11m.

comment

Improved second-half results at Stag Furniture Holdings reflect the effects of corrective measures taken at Avalon. After two years of losses this offshoot, struggling at the highly competitive lower end of the furniture market, seems to have been finally put on course for a return to the black in the current year. No further re-shaping costs are anticipated following last year's relatively painless reorganisation with the 11 per cent cut in workforces achieved, mainly by natural wastage and related costs covered chiefly by a surplus on the sale of the Kingston factory. With insignificant debt, high liquidity and stocks under control, the group is well able to mark time until demand revives — a strength underlined by a

'Reasonable' year for John Hadland

Despite cautious budgets for the current year, Mr John Hadland, chairman of John Hadland Holdings, electronic camera concern, says the group will again make a reasonable profit.

He tells members in his annual report that it is evident that the pattern of profitability which occurred in 1980/81 — a loss in the first half which was more than recovered in the second six months — will recur.

First quarter trading has been poor, he says, but the directors expect to see a reasonable recovery during the next few months "and believe your company will produce half-year results slightly better than those of last year."

As reported on February 15, following a pre-tax loss of £66,000 (£229,000 profit) at midway, the group moved back into the black during the second half and finished the October 31 1981 year with a surplus of £189,242 (£514,610).

The company's shares are traded on the Unlisted Securities Market.

Yearlings total £13.8m

Yearling bonds totalling £13.8m at 131 per cent redeemable on March 15 1983 have been issued this week by the following local authorities.

- Middlesbrough (Borough) of £0.5m; Sedgemoor DC £0.5m; Wokingham DC £0.75m; Worthing BC £0.5m; Slaenau Gwent (Borough) of £0.5m; Gateshead (Borough Council) of £0.5m; High Peak (Borough) of £0.5m; Macclesfield DC £1.1m; Rushcliffe BC £0.75m; Glasgow (The City of) DC £2m; Allerdale DC £0.5m; Darlington BC £0.5m; West Yorkshire Metropolitan CC £0.75m; Trafford (Borough) of £0.5m; Wirral BC £1.25m; Cunningham DC £1m; Brawash (Borough of) £0.5m; Southwark (London Borough of) £0.5m; Sunderland (Borough) of £1m.
- Salford (City of) has issued £0.75m of 131 per cent bonds for redemption on March 7 1984.

HILL SAMUEL LAUNCHES TRUST

Hill Samuel is to launch a new natural resources trust which will invest worldwide in companies operating in the energy, mining and commodity fields.

A FINANCIAL TIMES SURVEY
LATIN AMERICAN SURVEYS 1982

Publication Date 1982	Survey
March 22	Mexico
May 12	Latin American Insurance
April 6	Venezuela
April 20	Latin American Energy
June 29	Latin American Banking and Finance
July 6	Panama
October 6	Peru
November 30	Brazil
December 15	Andean Pact
D.T.B.A.	Regional Development in Mexico

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

DEREK CROUCH LIMITED

Results for the Year Ended 31st December, 1981

	1981 £'000	1980 £'000
Turnover	54,693	65,700
Earnings before Tax and Interest	4,494	5,384
Interest Payable	2,025	2,340
Earnings before Tax	2,469	3,044
Earnings after all charges and taxation	1,197	1,437
Dividends	630	490
Earnings per Share	9.62p	11.41p

Mr Derek Crouch, Chairman, said: 1981 was the most difficult year in the Company's history. Our work last year was aggravated generally by high interest rates, low demand, soft markets and finally by the worst December weather recorded.

Power Inc., the Company carrying out open-pit coal mining in Central Pennsylvania in which Derek Crouch holds a 60 per cent share, made a trading profit of 2,583,000 dollars. With interest rates averaging 22 per cent, interest payments were 2,984,000 dollars leaving a small operating loss of 281,000 dollars. However, capital repayments totalling 2,638,000 dollars were made during 1981, which should lead to an improvement later this year.

Whilst open-pit mining operations in the U.K. remain satisfactory, during the second half of the year the Construction Company suffered a sudden and totally unexpected deterioration in its trading position. This was largely attributable to problems with a number of local authority housing contracts, the prolongation of an industrial contract in the South Midlands and the over-run of a substantial contract in the North West, the costs of which have not yet been re-imbursed.

In common with other contractors, we are meeting increasing resistance from architects and clients to the settlement of our contractual entitlements. Every device is being used to delay the payment of accounts.

Claims are being prepared with an approximate value of £2.5 million. We are advised that these are soundly based, and they will be vigorously pursued.

The Company is now diversifying into private sector construction to reduce its traditional dependence in the public sector.

Dividend
Recommended final 3.42p per share making a total for the year of 5.05p per share.

Copies of the Annual Report can be obtained from the Secretary at Peterborough PE6 7UW.

NOTICE TO THE HOLDERS OF PARIBAS SUISSE (BAHAMAS) LIMITED

6 1/2% Convertible Debentures 1980-1990 of U.S.\$1.225 principal amount each, convertible into Bearer Shares of BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A.

Pursuant to our publication on February 4, 1982, of an announcement relative to a capital increase of Banque de Paris et des Pays-Bas (Suisse) S.A. from SF 180,000,000 to SF 270,000,000, we notify you hereby that the subscription of the new 900,000 Bearer Shares of SF 100 par value has been duly completed on March 4, 1982 at 12 a.m.

Consequently, in conformity with provisions of the Trust Deed governing the above-mentioned Debentures, the conversion price will be adjusted by deducting from the original conversion price of \$1.225 for five Bearer Shares the amount of \$334.29 which is the average of the last paid prices on the Geneva Stock Exchange for five Rights. Thus, the new conversion price will be \$890.71 for five Rights. Thus, the new conversion price will be \$890.71 for five Rights. Thus, the new conversion price will be \$890.71 for five Rights. Thus, the new conversion price will be \$890.71 for five Rights.

BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A.
Geneva, March 9, 1982.



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TELEBIDS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (A), WAITING STREET, LONDON, EC4M 8AA NOT LATER THAN 10.00 A.M. ON FRIDAY, 19TH MARCH 1982, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND AND COMPANY OF THE BRANCHES OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON THURSDAY, 10TH MARCH 1982.

ISSUE BY TENDER OF £750,000,000
2 per cent INDEX-LINKED
TREASURY STOCK, 1988

PAYABLE AS FOLLOWS:

Deposit with tender £500 per cent
On Thursday, 29th April 1982 Balance of purchase money
INTEREST PAYABLE HALF-YEARLY ON 30th MARCH AND 30th SEPTEMBER

- The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of the Stock Exchange for the Stock to be admitted to the Official List. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for the above Stock.
- The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
- The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1962. Transfers will be free of stamp duty.
- If not previously redeemed under the provisions of paragraph 14, the Stock will be payable on 30th March 1988. The value of the principal or repayment will be related, subject to the terms of this prospectus, to the movement, during the life of the Stock, of the United Kingdom General Index of Retail Prices as published by the Department of Employment, or any index which may replace that index for the purposes of this prospectus, such movement being indicated by the index figure issued monthly and subsequently published in the London, Edinburgh and Belfast Gazettes.
- For the purposes of this prospectus, the index figure applicable to any month will be the index figure issued seven months prior to the relevant month and relating to the month before that prior month; "month" means calendar month and the index rate applicable to any month will be equal to the index figure applicable to that month divided by the index figure applicable to March 1982.
- The amount due on repayment, per £100 nominal of Stock, will be £100 multiplied by the index rate applicable to the month in which repayment takes place. This amount, expressed in pounds sterling to four places of decimals rounded to the nearest figure below, will be announced by the Bank of England and the index rate applicable to any month will be equal to the percentage immediately preceding the date of the penultimate interest payment.
- Interest will be payable half-yearly on 30th March and 30th September. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be issued by post.
- The first interest payment will be made on 30th September 1982 at the rate of 2.00 per cent on £100 nominal of Stock.
- Each subsequent half-yearly interest payment will be at a rate, per £100 nominal of Stock, of 2% multiplied by the index rate applicable to the month in which the payment falls due.
- The rate of interest for each interest payment other than the first, expressed as a percentage in pounds sterling to four places of decimals rounded to the nearest figure below, will be announced by the Bank of England and the rate will be the percentage immediately preceding the date of the previous interest payment.
- The index is revised to a new base after the Stock is issued. It will be necessary, for the purposes of the preceding paragraphs, to calculate and use a notional index figure in substitution for the index figure applicable to the month in which repayment takes place and/or an interest payment falls due ("notional index figure"). The notional index figure will be calculated by multiplying the actual index figure applicable to the month of payment by the index figure on the old base for the month on which the revised index is based and dividing the product by the new base figure for the same month. This procedure will be used for each occasion on which a revision is made during the life of the Stock.
- If the index is not published for a month for which it is relevant for the purposes of this prospectus, the Bank of England, after appropriate consultation with the relevant Government Department, will publish a substitute index figure which shall be an estimate of the index figure which would have been applicable to the month in question and the substitute index figure will be applied for all purposes for which the actual index figure would have been relevant. The calculation by the Bank of England of the amounts of principal and/or interest payable on the basis of a substitute index figure shall be conclusive and binding upon all stockholders. No subsequent adjustment to such amounts will be made in the event of subsequent publication of the index figure which would have been applicable to the month of payment.
- If any change should be made to the coverage or the basic calculation of the index, which, in the opinion of the Bank of England, constitutes a fundamental change in the index which would be materially detrimental to the interests of stockholders, Her Majesty's Treasury will publish a notice in the London, Edinburgh and Belfast Gazettes immediately following the announcement by the relevant Government Department of the change, informing stockholders and offering them the right to require Her Majesty's Treasury to redeem their stock. For the purposes of this paragraph, repayment to stockholders who exercise this right will be effected, on a date to be chosen by Her Majesty's Treasury, not later than seven months from the last month of publication of the old index. The amount of principal due on repayment and of any interest which has accrued will be calculated on the basis of the index rate applicable to the month in which repayment takes place. A notice setting out the administrative arrangements will be sent to stockholders at their registered address by the Bank of England at the appropriate time.
- Tenders must be lodged at the Bank of England, New Issues (A), Waiting Street, London, EC4M 8AA not later than 10.00 A.M. ON FRIDAY, 19TH MARCH 1982, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 P.M. ON THURSDAY, 10TH MARCH 1982. Each tender must be for one amount and at one price which is a multiple of 25p. TENDERS LODGED WITHOUT A PRICE BEING STATED WILL BE REJECTED.
- A separate cheque representing a deposit at the rate of £50.00 for every £100 of the nominal amount of Stock tendered for must accompany each tender. Cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.
- Tenders must be for a minimum of £100 nominal of Stock and for multiples of Stock as follows:—

Amount of Stock tendered for	Multiple
£100—£1,000	£100
£1,000—£5,000	£500
£5,000—£10,000	£1,000
£10,000—£50,000	£5,000
£50,000 or greater	£5,000

18. Her Majesty's Treasury reserves the right to reject any tender or to allot a lesser amount of Stock than that tendered for. Valid tenders will be ranked in descending order of price and allotments will be made to tenders whose tenders are at or above the lowest price at which Her Majesty's Treasury decide

Huntley says £75m bid is "wholly inadequate"

BY RAY MAUGHAN

DETAILING the reasons why the £75m offer from Rowntree Mackintosh is "wholly inadequate," the chief executive of Huntley and Palmer Foods, Dr Keith Bright, tells shareholders that "the future benefits of your company's recent acquisitions and its rationalisation proposals should not be allowed to fall into the hands of Rowntree Mackintosh."

The unaudited results for last year, however, are regarded as "disappointing" although the outcome for 1982 is expected to be "satisfactory."

Profits last year amounted to £8.5m on sales of £39.8m. This contrasts with a total of £7.2m in the previous year which had been depressed by £1.6m of European losses. German operations were sold.

The last 16 weeks of the year failed to meet earlier expectations. In October, Huntley predicted that profits in that final period would improve on the comparable weeks of 1981.

It is the contribution dropped from £5.98m to £4.35m before tax. The dividend is to be maintained with a final payment of 2.44p per share.

Dr Bright yesterday blamed the sudden effects of the recession on the snacks and crisps interests from the middle of

the year. Volume fell by some 11 per cent, he said, and Huntley's Smiths Crisps subsidiary temporarily lost some important accounts such as KwikSave and Tesco.

The finance director, Mr Hugh Brown, estimated that the divisional contribution had been approximately halved to £1.5m pre-tax.

Profits have been struck before extraordinary items of £1.1m charged as the cost of closing Smiths' Kew headquarters, whose functions are to be transferred to Reading, and at Park Royal. These closures would save some £750,000 and £600,000 respectively, Dr Bright calculated, on an annual basis. Smiths' facilities at Great Yarmouth are to be sold. The division will probably be moved elsewhere, the group said.

Huntley also pointed to its "world famous products and brands names" which, the group said, "are all extremely valuable assets with considerable future potential."

The defence claims that Huntley's share of UK branded products have grown by 9.8 per cent since 1978 with particular strength in counties which the new group "will probably be moved elsewhere, the group said.

said yesterday, had been a "roaring success" generating as much as £15m of sales annually.

A answering Rowntree's criticisms that the group has not spent sufficient sums of fixed assets and was not generating enough revenues to lift its capital expenditure, Dr Bright revealed that capital spending accounted for 4.1 per cent of turnover last year and would account for 4.3 per cent of turnover this year. Gearing, he said, had been held at about 40 per cent.

Shares in Rowntree Mackintosh climbed 3p yesterday to 168p at which point Huntley shares are valued at just over 105p. The biscuit group's shares were unchanged yesterday at 103p, after 105p, and are slightly below the offer price. Rowntree, however, is not expected to add to its 25.5 per cent stake in Huntley by purchases in the market at this stage. Any addition to 30 per cent and above would trigger a requirement to give a full cash offer for its cash and equity terms.

The bid reaches its first closing date next Thursday, three weeks after the formal documents were published and any decision by the Office of Fair Trading regarding a reference to the Monopolies Commission is expected early next week.

HME division fetches £4.4m

THE DIRECTORS of Harrisons Malaysian Estates (HME) say agreement has been reached by the London Asiatic Rubber and Produce Company, a subsidiary operating in Malaysia, for the sale to Asatulin Sdn. Berhad of its Braemar division.

This division consists of some 711 acres of the company's Semenyih Rubber Estate near Kajang in Selangor State. The transaction is conditional on the approval of the Malaysian Foreign Investment Committee and it may be some months before the directors can announce whether the agreements have become unconditional.

The total consideration is Malaysian ringgit 18,496,400 (£4.4m at current exchange rates) payable in cash. On the signing of the sale agreement, 10 per cent of the consideration was received. The balance is due as to 20 per cent not later than July 9 1982, as to 20 per cent not later than November 9 1982, and the remainder of 50 per cent not later than March 9 1983.

The price being paid for the land is supported by independent valuers. In the 12 months to March 31 1981, the date of the

last audited consolidated balance sheet of HME and its subsidiaries, the net profits before tax attributable to the Braemar Division represented less than 5 per cent of pre-tax profits of the HME group.

It is intended to use the majority of the proceeds within the existing business of Harrisons Malaysian Estates.

LEADERFLUSH

The Local Planning Authority has confirmed that planning permissions granted in 1945 and 1946 on a 8.78 acre site at Towel, Nottinghamshire, owned by Leaderflush Developments, are still valid, and the site continues to be available for commercial development.

Leaderflush directors are considering what would be the most satisfactory method of dealing with the land.

The value attributed to the site in the group's last accounts was £20,000, it is stated.

CREDIT DATA

Mr Alan Katz and Mr Michael Allen, joint receivers of Credit Data, have accepted, subject to contract, an offer to acquire the company's reference agency business.

The intending purchaser is UAPT (United Association for Protection of Trade) which is acquiring the shareholders in continuing the business, pending completion of the legal formalities.

The debt collection business of Credit Data is also continuing to trade while the receivers examine the position.

The receivers are, therefore, hopeful that the long-term prospects are encouraging.

ASSOCIATE DEALS

As brokers to Federated Land, W. Greenwell and Co. on February 3 purchased on behalf of Tevis (a company controlled by Mr P. J. H. Meyer, managing director of Federated Land) 25,000 ordinary shares in Federated Land at 136p.

On behalf of LBI for account of Providing Holdings an associate of Estates and General Investments, Famurum director of Federated Land) 25,000 Federated Land ordinary shares at 130p and 25,000 shares at 137p. Kletworth Benson, as an associate of Tunnel Holdings has bought on behalf of discretionary investment clients 25,000 Tunnel "B" shares at 86p.

SHARE STAKES

Estel Group—Mr N. C. Roids, director, disposed of 70,000 shares (0.86 per cent). Mr Roids now holds 157,310 shares (1.36 per cent).

Laganvale Estate—Following the announcement of February 23 the Hon Simon Fraser's interest is now less than 5 per cent of the ordinary shares.

Pleasurama—Popeshead Nominees holds 400,000 ordinary shares (8.1 per cent). The company has been informed that Popeshead Nominees is acting on behalf of Schroder Special Exempt Fund.

Flaxtons (GB)—J. D. Pepper, director, sold 5,000 ordinary shares at 148p yesterday. Mr Pepper's residual holding is 6,500 shares.

Spencer Clark Metal Industries—A. M. West, director, has purchased 12,500 shares. Glasgow Pavilion—Mr James Glasgow's associated companies are registered in the above company to a total of 325,960 shares (27.139 per cent).

Muirhead-Kinwat Investment Office, has acquired a further 40,000 ordinary shares, bringing its total holding to 694,000 shares. 8.18 per cent.

Aiken Home—New BBC Pension Scheme: the beneficial owner of 225,000 shares.

Thurgomton Secured Growth Trust—D. E. Franklin, director, notifies that the Working Mens College has acquired 100,000 shares at 231p cumulative dividend. This makes his interest 880,000 shares (8.81 per cent).

Kwik-Fit (Tyres and Exhausts) Holdings—Atlantic Assets has acquired a further 240,000 ordinary shares, making its holding 4m shares (7.95 per cent).

NEWS ANALYSIS: GREAT NORTHERN—RIT MERGER
Creating a sizeable investment

BY RICHARD LAMBERT



Mr Jacob Rothschild new executive chairman

THE merger of Great Northern Investment Trust and RIT, two independent investment trust groups, will create a sizeable new investment institution. Combined assets of the enlarged group will total around £255m, and total funds under management—including unit trusts and life funds—will be between £400m and £500m.

The deal marks a major step in the sometimes controversial development of RIT, which had, until 1970, been a negligible investment within the empire of N. M. Rothschild and Sons, the merchant bank. Although the merger takes the form of an offer by Great Northern for RIT, there is little doubt about who will end up holding the reins.

The new company will be called RIT and Northern, and its executive chairman will be Mr Jacob Rothschild. RIT will have a majority on the enlarged board.

One significant side-effect of the deal is that it will probably mark the end of the direct relationship between Mr Sant Steinberg's Reliance Group and RIT. This objective explains why Great Northern is making the bid for RIT—which is a larger company—rather than the other way round.

The idea is that Great Northern will offer its shares to RIT shareholders on a basis which will be pro rata to the relative net asset value of the two companies on the day when the offer becomes unconditional as to acceptances.

As an illustration, if the merger had taken place on March 8, Great Northern would have offered 372 shares in exchange for every 100 shares in RIT.

As an alternative, RIT shareholders will be offered a cash sum—but only for a quarter of their total share capital. And this cash offer will be equivalent to just 80 per cent of RIT's net asset value.

Reliance Group will accept cash for the whole of its 20.8 per cent holding. Assuming that most other RIT shareholders will opt to take shares, they will thus bow out of the holding company—although it will retain minority interests in Target Life Assurance and Target Trust Managers.

Reliance, a U.S. insurance group headed by the colourful Saul Steinberg, bought its stake in RIT in 1979, when the investment trust company's relationship with N. M. Rothschild was approaching a critical stage.

Mr Steinberg is a close personal friend of Mr Rothschild, and his arrival on the scene helped to trigger the public rift in the autumn of 1980 between Jacob Rothschild and his cousin Evelyn, chairman of the merchant bank.

This ended when the links between the bank and the investment trust were broken, and Rothschild Investment Trust changed its name to RIT.

Since then, RIT has expanded its business, which has been the world, while Mr Steinberg has brought out the outside shareholders in Reliance and turned it into a private company. He has sold off a number of portfolio investments in recent months.

Of the total portfolio, some £27m will be invested in financial services, £10m in unlisted shares, and £20m in strategic

holdings. The quoted portfolio will amount to about £190m.

Mr Rothschild said there were no immediate plans for changing the portfolio. "But if we see any big opportunities—and there should be some, particularly in the U.S. over the next year or two—then we will be in a position to have a go."

Lord Weir, the chairman of Great Northern, said his company had to reconsider its strategy in the light of the changing environment for investment trusts. No single course of action suited every shareholder, but the proposed merger was the best course for shareholders.

The merger was not a defensive move, and Great Northern had not received any bid proposals. Major shareholders had been consulted in advance.

The cash alternative will have the effect of improving the net assets attributable to remaining shareholders by around £8.5m before expenses.

There are also plans to make a scrip issue of warrants after the merger, on the basis of one for every ten shares held. These will carry the right to subscribe for new shares between 1983 and 1982 on the basis of 1983's net asset value.

RIT holds nearly a fifth of the ultimate share capital of the Weir Group, having bought a big stake after Weir's capital reconstruction last Spring. Lord Weir, who stepped down as chairman of the Weir Group at the time of the reconstruction, said that his relationship was a complete coincidence.

Following the merger, the plan is to maintain the level of the Great Northern dividend. Its shareholders will be compensated for a proposed change in year-end dividend by way of a special interim dividend. The RIT intends to make a second interim payment of 11.5p per share in lieu of the final dividend in respect of the year ending in this month.

Both sets of shareholders will have to approve the terms. British Linen Bank has advised Great Northern, while S. G. Warburg is acting for RIT.

One curious result of the deal is that RIT will become a Scottish company. Earlier this month, it emerged that the holding company of N. M. Rothschild was to be re-registered in Scotland. Perhaps the family knows something that the rest of us do not.

CRODA INTL.

Croda International yesterday announced that it has sold its 14.99 per cent holding in the speciality chemicals group following the failure of Burma's £70m cash bid.

Writing to shareholders, Sir Frederick Wood, chairman of Croda, said that "we believe that much the better solution for all concerned would be an orderly placing of Burma's stake in Croda."

Commenting on the bid group's stated intention of selling the shares it acquired in a dawn raid last December, Sir Frederick made it clear that "if Burma were to bid again, we know of no reason why we should take a different view as to the lack of industrial logic, absence of relevant management expertise, and financial over-gearing of Burma."

R. H. MORLEY

R. H. Morley directors have negotiated with the shareholders of Tamvel to acquire the issued capital for £40,000 in cash, taking over all the assets and liabilities (net liabilities £185,000).

Assets to be acquired are valued at £225,000 and comprise the freehold land and buildings in Heanor, Derbyshire which are presently on a lease agreement.

BAZALONI

Bazaloni Holdings offer by close rule in association with Saraf Industries for the 86,818 ordinary shares of Bazaloni not already owned accepted in respect of 58,251 shares. Offer remains open.

BASE LENDING RATES

A.B.N. Bank	134%	Grindlays Bank	118%
Allied Irish Bank	131%	Guinness Mahon	121%
American Express Bk	134%	Hambros Bank	131%
Amro Bank	134%	Heritable & Gen. Trust	134%
Bank of Montreal	134%	Hill Samuel	113%
Bank of Paris	134%	Hoare & Co.	113%
Bank of Spain	134%	Hongkong & Shanghai	124%
Bank of S.W.	134%	Knolly & Co. Ltd.	124%
Bank of Scotland	134%	Lloyds Bank	134%
Bank of the West	134%	Mallinath Limited	134%
Bank of the West	134%	Midland Bank	134%
Bank of the West	134%	Samuel Mounagu	124%
Bank of the West	134%	Morgan Grenfell	134%
Bank of the West	134%	National Westminster	134%
Bank of the West	134%	Norwich General Trust	134%
Bank of the West	134%	P. S. Refson & Co.	134%
Bank of the West	134%	Roxburgh Guarantees	144%
Bank of the West	134%	S. S. Schwab	134%
Bank of the West	134%	Shawmut Bank	134%
Bank of the West	134%	Standard Chartered	134%
Bank of the West	134%	Trustee Savings Bank	134%
Bank of the West	134%	TCB Ltd.	134%
Bank of the West	134%	United Bank of Kuwait	134%
Bank of the West	134%	Whitney Lidlow	14%
Bank of the West	134%	Williams & Glyn's	134%
Bank of the West	134%	Witnstr Secs. Ltd.	134%
Bank of the West	134%	Yorkshire Bank	134%

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1981-82	Company	Price	Change	Gross Yield	P/E	Fully Paid
129	100 Ass. Brit. Ind. CULS...	725	+1	10.0	8.0	—
75	82 Airming	75	+1	4.7	6.4	11.6
51	33 Armiting	45	—	4.2	9.6	3.8
205	167 Barton Hill	198	+1	8.7	14.8	—
100	500 C.C. Finc. Conv. Pref.	100	—	6.0	3.2	6.1
104	65 Debent. Services	85	—	6.4	8.0	11.6
131	97 Frank Horsall	128	—	6.4	8.0	4.1
83	38 Fendick Parker	80	—	6.4	8.0	4.1
78	48 George Bliff	62	—	7.2	7.7	—
102	93 Ind. Precision Castings	85	—	11.7	14.5	10.3
108	124 Isis Conv. Pref.	109	+1	15.7	14.5	—
113	94 Jackson Group	57	—	11.0	7.2	3.1
130	108 James Burrough	171	—	11.2	8.2	10.3
334	248 Robert Jenkins	262	+2	31.3	12.4	3.5
103	55 Searles	65	—	5.3	8.5	9.5
222	159 Toray and Carlisle	159				

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

\$300m credit expected for Venezuelan utility

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

AMID continuing confusion over its medium-term borrowing plans, Venezuela is expected to announce shortly a \$300m, eight-year Eurocredit for its state power company, Edelca.

oil prices Venezuela seems in no hurry to raise fresh medium-term funds from other sectors of the Eurocredit market.

One of the hallmarks of Venezuela's borrowing programme remains its unpredictability, and "anything could happen," says one banker yesterday.

\$100m bond for Gulf Canada

BY OUR EUROMARKETS STAFF

A \$100m 10-year Eurodollar bond is being launched for Gulf Canada, the Canadian subsidiary of Gulf Oil. The issue will carry a 14 1/2 per cent coupon at par and lead manager is Morgan Grenfell.

market quotations. The 14 1/2 per cent coupon is expected to be approved.

Prices of Euro-Dmark bonds rose by 1/2 point yesterday as interest rate optimism continued.

Shake-up at American Express bank unit

By Alan Friedman

AMERICAN EXPRESS International Banking Corporation (AIBIC) the wholly-owned foreign bank subsidiary of American Express, has dismissed 21 executives in a major management shake-up.

The bank said yesterday it had "terminated" the executives as part of an "internal realignment."

Mr Miller, a senior vice-president at the bank, said yesterday the departures had stemmed from a review which had been underway since last autumn.

Intel to enter market for office computer systems

BY LOUISE KEHOE IN SAN FRANCISCO

INTEL, the Silicon Valley chip maker which is best known for its microprocessors, is about to enter the office computer systems market.

industry analysts say that the days of the "pure" chip makers are numbered, and that U.S. semiconductor companies must become "vertically integrated" offering a range of electronics products built around their chips in order to maintain profitability in the face of foreign competition.

Intel has over the past year gradually been moving towards the commercial computer business. Last November the company introduced its first small general purpose computer.

Du Pont stake boosts Seagram

By Robert Gibbens in Montreal

SEAGRAM COMPANY, the world's largest distiller, which last year took a 20 per cent interest in ET Du Pont de Nemours, has reported a gain in earnings for the first half of fiscal 1982.

The latest period to January 31 includes \$1.27 per share, representing equity in the earnings of Du Pont. Last year Seagram, controlled by the interests of Edgar and Charles Bronfman, acquired 20 per cent of Du Pont after failing to get control of Conoco in a three-cornered tussle with Du Pont and Mobil.

Woolworth shows halved profits for fiscal 1981

BY PAUL BETTS IN NEW YORK

F. W. WOOLWORTH, the large U.S. retailer, reported yesterday a sharp decline in earnings in both the final quarter and its latest fiscal year.

Net income in the final quarter ended January 31 was nearly halved to \$58m from \$109m in the final period of the previous year.

Armco delays expansion in tubular goods

By David Lascelles in New York

ARMCO, the large U.S. steelmaker, has decided to postpone a \$671m plan to increase seamless tubular goods production capacity because of the poor state of the economy and high interest rates.

Receiver for Fieldcrest Irish plant

By Brendan Keenan in Dublin

THE IRISH Industrial Development authority (IDA) is looking for a buyer to take over the Fieldcrest textile plant at Kilkenny, which went into receivership yesterday.

Sears plans discount issues

BY OUR NEW YORK STAFF

SEARS ROEBUCK, the U.S. retailer, is planning two offerings of original issue discount (OID) bonds with a total face value of \$600m.

The offerings comprise \$300m of 6 per cent debentures due in 1993 and a similar amount of 6 per cent bonds due in 2000.

Private sector Mexican debt up by \$4.1bn

By William Chislett in Mexico City

MEXICO'S PRIVATE sector, which is struggling to meet the extra cost of its dollar debts caused by the recent 40 per cent devaluation of the peso, increased its external debt by \$4.1bn in 1981, according to the Bank of Mexico's 1981 report.

American Home completes deal

By Our Financial Staff

AMERICAN HOME Products Corporation has completed the acquisition of Brunswick Corporation's Sherwood Medical Group by exchanging 14.17m common shares of Brunswick received by American Home in its tender offer for Brunswick shares.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday March 23.

Table with columns for U.S. DOLLAR STRAIGHTS, OTHER STRAIGHTS, FLOATING RATE, CONVERTIBLE, and SWISS FRAC STRAIGHTS. Includes bond names, amounts, and yields.

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The Kingdom of Denmark US \$250,000,000 Medium Term Loan

Advertisement for a \$250 million medium term loan from Girozentrale und Bank der österreichischen Sparkassen AG, Gulf International Bank B.S.C., Saudi International Bank, Orion Royal Bank Limited, etc.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

Dividend cut by German metal group

By Kevin Done in Frankfurt
 METALLGESELLSCHAFT, the West German metals, chemicals, transport, and mechanical engineering group, has cut its dividend by a third to DM 4 per share following a drop of 41 per cent in parent company after-tax profits last year.
 Group turnover rose by 11 per cent to DM 10.1bn in the year to end September but continuing losses in the metal fabrication division and falling profitability in metal trading and chemicals activities have cut deeply into profits. Parent company after-tax profits dropped to only DM 24.2m compared with DM 40.8m.
 The company is closing as planned its Frankfurt-based metal components plant from the end of March with a loss of around 1,700 jobs. It has also sold its Nuremberg-based aluminium packaging plant to the French company Pechiney Ugine Kuhlmann

Hoechst maintains payout despite earnings setback

By Jonathan Carr in Bonn
 HOECHST, one of West Germany's "big three" chemical groups, proposes to pay an unchanged dividend for 1981 of DM 7 per share, despite a sharp cut of 20.7 per cent to DM 715m (\$304m) in parent company pre-tax profits.
 Hoechst's main domestic rivals, BASF and Bayer, have yet to announce their 1981 profits, but at the nine months stage Hoechst was already trailing well behind.
 Explaining the sharp fall, Hoechst noted that last year had been characterised by a stagnating world economy, weak demand for chemical products, higher wages and raw materials costs as well as unusually high interest rates.
 Hoechst said its group turnover worldwide rose by 15.1 per cent to DM 34.4bn—based on a rise of 20.7 per cent abroad and only 2.6 per cent at home. Group pre-tax profits in 1980 totalled DM 1.25bn.
 The company stressed that apart from price increases, currency changes (including the relative weakness of the D-Mark) had been a major factor in bringing about the turnover increase. The actual increase in volume sales totalled just 4 per cent.
 An above average increase in turnover was registered in North America and Latin America and in Australia. The key sectors to do well in sales terms included fibres, pharmaceuticals and chemicals for the farming industry.
 The turnover of the Hoechst parent company increased by 9.6 per cent against 1980 to DM 12.2bn. Exports were up by 15.4 per cent in value terms and 8 per cent by volume.
 Parent company use of capital in the last quarter of 1981 was down to 75 per cent and registered an average of 76 per cent for the year—marginally lower than in 1980.
 Fixed asset investment by the parent company totalled DM 689m or 7.7 per cent more than a year earlier. The company announced last November that it was launching a rights issue to raise DM 433.2m to help finance its capital expenditure

Threefold advance at Banco Ambrosiano

By Rupert Cornwell in Rome
 BANCO AMBROSIANO, the cornerstone of the financial group controlled by Sig. Roberto Calvi, yesterday reported a more than threefold rise in net profits last year to L43.4bn (\$34m) from the L13.5bn achieved in 1980.
 The growth of earnings is accompanied by an increase in the dividend on ordinary shares to L420 from the L360 paid previously.
 Although the statement announcing the results was typically laconic, it is clearly intended as a reply to the controversy which has surrounded the bank's operations, and the criticism heaped in some quarters upon Sig. Calvi himself.
 They are designed to portray a group in robust health, despite the costly purchase of a 40 per cent stake in the Rizzoli, the Cortese-Della Sera publishing concern, in 1981, and the conviction of Sig. Calvi last July on currency offences—against which he is appealing.
 On the eve of its admission to a full quotation on the Milan bourse, the bank reported that its capital and own resources stood at L516bn at the end of 1981, compared with L207bn.
 The net earnings are struck after L113bn of provisions and other risks. Total deposits by Banco Ambrosiano last year rose 15 per cent to L6,644bn while those of the group jumped by a quarter to L24,536bn—making the group the largest bank in Italy in private hands.
 Further significant changes have also taken place in Ambrosiano's boardroom. Following the departure of Sig. Carlo de Benedetti after barely two months as vice-president, Sig. Orazio Bagnasco, the financier, has assumed a similar post. He has acquired a small interest in Ambrosiano's capital.
 It was confirmed last night that Sig. Carlo Pesenti has also become a director of the bank.

Alfa Romeo lay-offs accepted

By James Suxton in Rome
 ALFA ROMEO, the troubled Italian carmaker, has reached agreement with trade unions on large scale lay-offs and closures aimed at curbing surplus production and reducing the state-owned company's heavy losses.
 Under the agreement, which has yet to be ratified on the shop floor, production will be stopped entirely for 10 weeks at the plant at Arese, near Milan, and for 14 weeks at the plant near Naples, in addition to the five-week closure due to end next Monday.
 In addition, about 5,700 men will be laid off entirely until the first half of next year. Of

them nearly 1,100 are men with bad absenteeism records whose jobs will be taken by others—a move believed to have been accepted by Italian unions for the first time. All men laid off will be on the state-subsidised scheme which allows them about three-quarters of usual earnings.
 Originally Alfa, which is expected to show heavier losses for 1981 than the L75bn (\$58m) deficit incurred in 1980, had wanted either to lay off a third of its workforce or close the plants for a third of the year. The outcome of negotiations is that the company will obtain the closures it wanted but will shed fewer workers.

Alfa, whose sales last year were about \$1.6bn, is following in the footsteps of Fiat, Italy's largest car-maker, whose productivity and profitability have improved substantially since a showdown with the trade unions led to the lay-off of 23,000 men in autumn 1980.
 The Alfa agreement includes incentives for early retirement and there is provision for introducing production groups to replace some monotonous assembly line work in an attempt to increase worker satisfaction and raise productivity.

Philips refines its accounting

By Barry Riley
 PHILIPS, the Dutch-based multinational, has unveiled the first major changes in its accounting policies for 10 years.
 The group has long been known as an international pioneer of replacement cost accounting, and has now developed the system further by incorporating a gearing adjustment and other changes.
 But in London yesterday Mr R. C. Spinoza Cattela, the group finance director, was keen to point out that it was not Philips' intention to improve its

figures through cosmetic changes, even though heavy competition, mainly from Japan, has put the group under pressure in recent years.
 He gave information designed to "eliminate all suspicions that we are trying to boost our profits."
 Earlier this week Philips published its 1981 results showing that on the new basis attributable net profits rose slightly to Fl 357m (\$140m) from Fl 345m. As in other recent years, the results have

been struck after very heavy restructuring provisions.
 Mr Spinoza Cattela agreed that the results were improved by the incorporation of a gearing adjustment, but a change in the basis of charging deferred tax had a negative effect. A new currency translation method was also negative in its impact in the particular year 1981 (though its effect would vary in the future). The overall effect of the changes was a very small improvement in net profit.

Creditanstalt to pay same

By Paul Lendvai in Vienna
 CREDITANSTALT, Austria's largest bank, plans to hold its dividend at 10 per cent following an increase in profits for 1981.
 After tax, profits from banking improved by a tenth to Sch 415m (\$25m). The figures exclude heavy losses incurred through direct shareholdings in a number of troubled industrial companies.
 Balance sheet total rose by almost a fifth to Sch 243bn. Taking in Creditanstalt's regional banks, the balance sheet total comes to Sch 299bn.
 Savings deposits rose during the year by 20.4 per cent to Sch 28.5bn.

Steady growth at Arab Banking Corporation

By Mary Frings in Bahrain
 ARAB Banking Corporation (ABC) yesterday declared a profit for its first 22 months of operation of \$138.5m. After deducting the previous year's interim profit of \$45m, this leaves net earnings for 1981 of \$93.5m.
 The shareholders in ABC—the Governments of Kuwait and Libya and the Abu Dhabi Investment Authority (DIA)—decided not to take a dividend. After transfers to reserves, \$24.6m was carried forward as retained earnings.
 The balance sheet as at December 31, 1981, showed total assets (excluding contra items) of \$4.5bn, deposits of \$3.8bn, loans of \$1.2bn, and bonds

amounting to \$298m. Following the increase in paid up capital to \$750m in April, shareholders' equity at the end of 1981 stood at \$900m.
 Mr Abdullah Ammar Saudi, the president and chief executive, said that ABC became much more active last year in loans and syndications. Since its inception the bank has played a lead management role in loans totalling \$20.7bn.
 After the bank's general meeting, an agreement was signed in Bahrain for the takeover of Richard Daus, the small West German bank in which ABC now holds 90 per cent of the DM 50m (\$21m) capital.

Profits fall but payment lifted at Stora Kopparberg

By William Dullforce, Nordic Editor, in Stockholm
 STORA KOPPARBERG, the forest products group, reports a SKr 147m slump in pre-tax earnings to SKr 463m (\$89m) for 1981 but the board proposes to follow other Swedish companies by raising the dividend from SKr 12.50 to SKr 14 a share.
 Group sales climbed by 12 per cent in 1981 to SKr 4.6bn (\$794m). After reducing appropriations from SKr 242m to SKr 180m Stora shows a net profit of SKr 149m against SKr 121m. Net adjusted earnings per share are put at SKr 32, down by SKr 10.
 The profit setback was apparent at the eight-month stage when the company predicted a SKr 150m decline in full year pre-tax earnings. Operating profits for the year fell from SKr 885m to SKr 594m and net financial charges at SKr 89m were doubled.

Income plunges by 30% at Swedish steel group

By Our Nordic Editor
 SANDVIK, the Swedish cemented carbide and steel group, yesterday reported a 30 per cent fall in pre-tax profit from SKr 746m to SKr 519m (\$90m) in 1981. The board, however, proposes to continue its policy of annual dividend increases by paying shareholders SKr 10 a share against SKr 9 for 1980.
 Group sales dropped by 3 per cent in volume last year as a result of the "slack state of trade." In value sales grew by 9 per cent to SKr 8,860m (\$1.5bn). The order intake rose by the same percentage to around SKr 9bn.
 Earnings showed some improvement in the second half after an unexpected first-half slide of 43 per cent to SKr 214m, which caused Sandvik to cut its 1981 profit forecast.
 The net adjusted return comes

Income plunges by 30% at Swedish steel group

out at SKr 27 a share compared with SKr 36 and the return on total capital employed declined from 13.8 per cent to 11.5 per cent.
 The cemented carbide division, which accounts for well over half group turnover, experienced only a moderate earnings slide, from SKr 571m to SKr 546m.
 The real profit slumps came on the steel business, where earnings plunged from SKr 156m to SKr 4m, and on saws and tools, which turned in a loss of SKr 43m against a pre-tax profit of SKr 4m.
 Operating profit after depreciation was marginally lower, at around SKr 1bn, but net financial charges climbed from SKr 299m to SKr 471m and exchanges differences showed a loss of SKr 95m against a gain of SKr 12m.

We are pleased to announce the election of
SCOTT E. PARDEE
 Executive Vice President
 as a member of our
 Board of Directors
DISCOUNT CORPORATION OF NEW YORK
 58 Pine Street, New York, N.Y. 10005

New Issue March 11, 1982
 This advertisement appears as a matter of record only
NIPPON SHEET GLASS COMPANY, LIMITED
 Osaka/Japan
DM 30,000,000
7% Deutsche Mark Convertible Bonds of 1982/1987
 Offering Price: 100%
 Interest: 7% p.a., payable semi-annually on April 1 and October 1
 Maturity: October 1, 1987 at 103% of the principal amount
 Conversion Right: from April 15, 1982 into shares of Common Stock of Nippon Sheet Glass Company, Limited at a conversion price of DM 3.80 per share Frankfurt am Main
 Listings:
 Deutsche Bank Aktiengesellschaft
 Nomura International Limited
 Morgan Stanley International
 Sumitomo Finance International
 Swiss Bank Corporation International Limited
 Amro International Limited
 Atlantic Capital Corporation
 Bank of Tokyo International Limited
 Banque de Paris et des Pays-Bas
 Bayerische Vereinsbank Aktiengesellschaft
 Berliner Handels- und Frankfurter Bank
 Commerzbank Aktiengesellschaft
 Daiwa Europe Limited
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 Debitrick & Co.
 Deutsche Girozentrale - Deutsche Kommunalbank - European Banking Company Limited
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 Kleinwort, Benson Limited
 Merrill Lynch International & Co.
 E. Metzler and Sohn & Co. Limited
 Samuel Montagu & Co. Limited
 The Nikko Securities Co. (Europe) Ltd.
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 Skandinaviska Enskilda Banken
 The Sumitomo Trust Finance (H.K.) Limited
 Thinkaus & Burkhart
 Yamachi International (Europe) Limited
 Nippon Credit International (HK) Ltd.
 Orion Royal Bank Limited
 Societe Generale
 Vereins- und Westbank Aktiengesellschaft

This advertisement complies with the requirements of the Council of The Stock Exchange.
U.S. \$400,000,000
American Telephone and Telegraph Overseas Finance N.V.
 (Incorporated with limited liability in the Netherlands Antilles)
14 3/4% Guaranteed Debentures Due 1989
 Unconditionally guaranteed as to payment of principal, premium, if any, and interest by
American Telephone and Telegraph Company
 (Incorporated in New York)
 The following have agreed to subscribe or procure subscribers for the Debentures:
 Credit Suisse First Boston Limited
 Algemene Bank Nederland N.V.
 Banque Nationale de Paris
 Deutsche Bank Aktiengesellschaft
 Manufacturers Hanover Limited
 Morgan Guaranty Ltd
 Salomon Brothers International
 Societe Generale de Banque S.A.
 Banque Bruxelles Lambert S.A.
 Banque de Paris et des Pays-Bas
 Goldman Sachs International Corp.
 Merrill Lynch International & Co.
 Morgan Stanley International
 J. Henry Schroder Wagg & Co. Limited
 Swiss Bank Corporation International Limited
 Union Bank of Switzerland (Securities) Limited
 The Debentures, issued at 100 per cent., have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Debenture. Interest is payable annually in arrears on 15th March, the first payment being made on 15th March, 1983.
 Full particulars relating to the Debentures and American Telephone and Telegraph Overseas Finance N.V. are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 25th March, 1982 from the brokers to the issue:
 Cazenove & Co.,
 12 Tokenhouse Yard,
 London EC2R 7AN
 11th March, 1982

Weekly net asset value
Tokyo Pacific Holdings (Seaboard) NV.
 on March 8th 1982, U.S. \$ 58.58
 Listed on the Amsterdam Stock Exchange
 Information: Pierson, Heldring & Pierson N.V.,
 Herengracht 214, 1016 BS Amsterdam.
VONTobel EUROBOOND INDICES
 14.574 = 100%
 PRICE INDEX 9.332 9.332
 DM Bonds 92.88 91.94
 HFL Bonds & Notes 99.71 95.74
 U.S. \$ Str. Bonds 97.48 95.28
 Can. Dollar Bonds 98.91 98.89
 AVERAGE YIELD 8.32 7.32
 DM Bonds 8.70 8.32
 HFL Bonds & Notes 10.51 10.78
 U.S. \$ Str. Bonds 12.26 12.87
 Can. Dollar Bonds 15.18 15.18

FUJIA OVERSEAS FINANCE N.V.
 U.S. \$50,000,000
Guaranteed Floating Rate Notes due 1987
 Unconditionally guaranteed as to payment of principal and interest by
Fujia Industries, Inc.
 In accordance with the provisions of the Notes, notice is hereby given that for the six months period 11th March, 1982 to 13th September, 1982 the Notes will carry a Rate of Interest of 3 1/4% per annum with a coupon amount of U.S. \$392.54.
 Agent Bank
CREDIT BANK INTERNATIONAL LIMITED

Foreign insurers given ultimatum by Malaysia

BY WONG SUI-LONG IN KUALA LUMPUR

THE MALAYSIAN government has given foreign insurance companies until April 15 to submit proposals to restructure their Malaysian operations in accordance with the New Economic Policy (NEP).

Under the policy, foreign companies have to restructure their equity to reflect a 30:40:30 mix by 1990, that is 30 per cent Bumiputras (indigenous Malays), 40 per cent non-Malay residents and 30 per cent Bumiputras.

Failure to comply could result in the Government enforcing mergers of the foreign branch offices, suspension of business, and even the cancellation of licences, warned Tengku Razaleigh, the Finance Minister, at a meeting of representatives of the insurance industry in Kuala Lumpur on Tuesday.

He pointed out that a deadline of December 31 1981 had originally been fixed, but many had not complied.

There are currently 65 insurance companies in Malaysia, 24 of which are foreign-owned, nine are Singaporean, five from Hong Kong, four from the UK, three from the U.S., and the rest from New Zealand, Holland and France. The foreign companies handle as much as 80 per cent of Malaysia's insurance business.

The four UK insurance companies in Malaysia are General Accident, London Assurance, Provincial Insurance, and Prudential Assurance. Other UK insurance companies have converted their Malaysian branches into Malaysian-incorporated companies and taken in local partners.

Tengku Razaleigh said the foreign companies need not comply with the New Economic Policy immediately, but they must submit by April 15 proposals to indicate that they would reach the NEP targets by 1990.

The proposals must also include information on restructuring the board and management of companies to reflect adequate Malaysian participation.

Malaysian-owned companies will also have to submit proposals showing how they plan to take in the 30 per cent Malay equity by 1990.

The Finance Minister also announced that a bill would be introduced in the latter part of this year to strengthen the insurance industry. The present minimum paid-up capital of 1m ringgit (US\$431,000) would be increased to at least 5m ringgit for both life and general insurance companies.

Asahi Chemical to buy rest of Asahi Dow

By Richard C. Hanson in Tokyo

ASAHI CHEMICAL Industry, a leading Japanese manufacturer of synthetic resins, will pay about ¥42bn (\$177m) to acquire the shares held by Dow Chemical of the U.S. in a long-standing joint venture in Japan, Asahi Dow.

Asahi Dow, which was established 30 years ago as a 50-50 venture, produces styrene resins and such products as styrofoam and plastic wrap. Last year the company, which employs 2,600, had sales of ¥142.1bn (\$600m) and a net profit of ¥4bn.

Asahi said it would retain the company as a 100 per cent owned producer of styrene resins, the raw material for styrofoam. Dow Chemical, which has extensive interests in Japan, will take up on its own the production of styrofoam as part of its strategy of concentrating on specialty products in Japan.

The transfer of shares is set to take place on June 1. Asahi said the ¥42bn figure includes payments for technology.

Singapore bank lifts earnings

By Georgie Lee in Singapore

THE DEVELOPMENT Bank of Singapore, one of the "big four" of the Republic's banks, has reported a 62 per cent increase in group net profit in 1981 to S\$12.74m (U.S.\$54m). Pre-tax profits rose by 58.8 per cent to S\$188.36m. Operating income increased by 59 per cent to S\$942.95m while operating expenses and provisions grew at the same rate to S\$754.6m.

Parent bank results followed a similar trend with net profit rising by 64.9 per cent to S\$103.1m.

In the first half of 1981, group pre-tax profit was S\$76.85m while net profit was S\$46.3m.

DBS has proposed a final gross dividend of 8 per cent making a total of 16 per cent for the year, compared with 15 per cent previously.

Total assets of the Government-controlled group expanded by 57 per cent to S\$11.3bn while capital and reserves rose 14 per cent to S\$725.6m.

New company to keep glycol project alive

By Our Financial Staff

THE SINGAPORE Government and other shareholders in a major petrochemical project in the republic have agreed to form a new company to keep the project alive following the withdrawal last month of Mitsui Petrochemical Industries of Japan. But they have yet to decide on the exact share-holdings.

Mitsui dropped its 15 per cent stake in the ¥200bn (U.S.\$850m) ethylene glycol plant which is part of a complex being built on the Ayer Merbau island, because it said competition from the U.S. and Canada would make it unprofitable.

The Government, with a 28 per cent stake, had suggested Mitsui's share be divided equally among the remaining partners. Agreement is still being sought.

The others are Royal Dutch Shell (20 per cent), Mitsubishi Petrochemical (18 per cent), Japan Catalytic Chemical (17 per cent), and Sumitomo Chemical (2 per cent).

Growth for French Bank

By Jim Jones in Johannesburg

FRENCH BANK, the South African commercial bank which is 54.5 per cent-owned by Banque De l'Indochine et de Suez and 30 per cent by the mining house, Oenocor, increased its profit after provisions and transfers to R2.18m (\$2.14m) in 1981 from R1.57m.

The bank raised R2.5m of additional equity capital in the year with a rights issue of 2.4m shares at 105 cents each. As a result the number of ordinary shares in issue has risen to 10.4m. The dividend total has been increased to 12 cents from 10.5 cents. Earnings per share rose to 26.49 cents from 19.6 cents.

This announcement appears as a matter of record only.

January, 1982



DAEWOO CORPORATION US\$80,000,000 LOAN

Lead Managed by:

American Express Bank International Group

The Bank of Yokohama, Ltd.

Managed by:

Dow Finance Corporation Limited
Northwestern National Bank of Minneapolis

Kleinwort, Benson Limited

Co-managed by:

The Cho-Heung Bank, Ltd.
Banque Internationale A Luxembourg Societe Anonyme

The Commercial Bank of Korea, Ltd.
KB Luxembourg (Asia) Ltd

The Riggs National Bank of Washington, D.C., Nassau Branch

The Wales Australia Limited, Hong Kong (Wholly owned by Bank of New South Wales)

Provided by:

American Express International Banking Corporation
Dow Finance Corporation Limited
Northwestern National Bank of Minneapolis
The Commercial Bank of Korea, Ltd.
Kreditbank Luxembourg (Pacific) Ltd.
The Wales Australia Limited, Hong Kong (Wholly owned by Bank of New South Wales)
American Security Bank International (Nassau), Limited
Australia-Japan International Finance Limited
The Bank of Canton, Limited
C.B.C. International Finance (Asia) Limited (Wholly-owned subsidiary of The Commercial Banking Company of Sydney Limited)
Indian Overseas Bank
National Bank of North America
Rainier National Bank
Union De Banques Arabes et Francaises - U.B.A.F. Bahrain

The Bank of Yokohama, Ltd.
Kleinwort, Benson Limited
The Cho-Heung Bank, Ltd., (NY)
Banque Internationale A Luxembourg Societe Anonyme
The Riggs National Bank of Washington, D.C., Nassau Branch
The Northern Trust Company
Arab Bank For Investment And Foreign Trade (ARBIFT), Abu Dhabi
Bank of Baroda, Offshore Banking Unit, Bahrain
Bank of Scotland
Girard Bank
Manufacturers National Bank of Detroit
The National Bank of Washington, Washington, D.C.
Shawmut Bank of Boston, N.A.
British Columbia Financial Corp. (H.K.) Limited (A wholly-owned subsidiary of The Bank of British Columbia)

Agent:



American Express International Banking Corporation

This announcement appears as a matter of record only.

February 1982



Huarte y Cia. S.A. Iraq Hospital Project

Iraqi Dinars 8,952,988 (US\$30.2 Million) Guarantee Facility

Lead Managed by:

American Express Bank International Group

Banco Saudi Español (Saudesbank)

Caja de Ahorros y Monte de Piedad de Barcelona (Caixa de Barcelona)

Provided by:

American Express International Banking Corporation
Caja de Ahorros y Monte de Piedad de Barcelona (Caixa de Barcelona)

Banco Saudi Español (Saudesbank)

Saudi International Bank
Al-Bank Al-Saudi Al-Alami Limited

Bank of Tokyo International Limited

Barclays Bank International Limited (Bahrain Offshore Banking Unit)

Continental Illinois National Bank and Trust Company of Chicago

Crédit Lyonnais (Sucursal en España)

Banque Nationale de Paris Group (Banca Lopez Quesada S.A.)

Citibank-NA (Sucursal en España)

Crédit Commercial de France

Société Générale de Banque en Espagne

Agent:



American Express International Banking Corporation

Major board changes at UMBC

BY OUR KUALA LUMPUR CORRESPONDENT

THERE HAS been a majorities in the Government, the two biggest shareholders of UMBC —Multi Purpose Holdings, and Pemas, each with 40.5 per cent —are to provide five directors to the UMBC board, with Pemas providing the chairman.

The remaining equity is held largely by Mr Chang Ming Tshien, who remains on the board, and his associates.

The appointment of Mr Rahman, until recently a director of the Islamic Development Bank in Jeddah, is part of the board changes undertaken at

Government-controlled banks by the new Malaysian leadership.

Dr Nawawi Mat Amin, chairman of the Economic Bureau of the ruling United Malays National Organisation, is widely tipped to take over from Tan Sri Kamarul Ariffin, an executive chairman of Bank Bumiputra, Malaysia's largest bank, after the bank's annual meeting at the end of the month. Dr Nawawi is a close political ally of Dr Mahathir, the Prime Minister.

Marginal interim rise for Wormald

BY OUR FINANCIAL STAFF

WORMALD INTERNATIONAL, the Australian security and fire protection equipment maker, has reported only a marginal increase in interim net profits, partly because of industrial disputes.

Net profits were A\$10.5m (U.S.\$11.4m) for the six months ended December 31, against A\$10.36m a year earlier. Sales increased at the same rate—1

per cent—to A\$362.3m from A\$360.01m.

The labour disputes were both in the company and in areas where it has contracts. Most disputes directly involving Wormald have been settled and with a reasonable order book in hand the company expects to exceed the full-year net profits of A\$26.8m of fiscal 1981.

The company will pay an unchanged interim dividend of 10 cents a share out of earnings of 17 cents a share on capital increased by a one-for-five scrip issue in the period.

Pre-tax profits were A\$19.94m, up 12 per cent from a year earlier. Tax was A\$8.54m (A\$6.68m a year ago), depreciation A\$4.76m (A\$5.09m), interest A\$10.08m (A\$11.71m), and minorities A\$899,000 (A\$814,000).



IRELAND U.S.\$300,000,000 MEDIUM-TERM MULTICURRENCY FACILITY

Lead Managers

Allied Irish Banks Limited Bank of Ireland
The Bank of Tokyo, Ltd. The Industrial Bank of Japan, Limited
The Mitsubishi Bank, Limited Orion Royal Bank Limited
Société Générale de Banque S.A.

Managers

The Dai-ichi Kangyo Bank, Limited The Hokkaido Takushoku Bank Ltd.
The Saitama Bank, Ltd. The Sumitomo Trust and Banking Company Limited
Australia and New Zealand Banking Group Limited Commonwealth Trading Bank of Australia
Irish Intercontinental Bank Limited J. H. Schroder Bank and Trust Company
Banco Central S.A. Clydesdale PLC

Agent

Orion Royal Bank Limited

This announcement appears as a matter of record only.

February 1982

NOTICE TO HOLDERS OF

ORIENT FINANCE CO., LTD.

(KABUSHIKI KAISHA ORIENT FINANCE)

5% Sterling/U.S. Dollar Payable Convertible Bonds Due 1995
Pursuant to Clause 7(B) of the Trust Deed dated 22nd August 1980, notice is hereby given as follows:—

1. A free distribution of Shares of the Company will be made to shareholders registered on 31st March 1982 at 5.00 p.m. (Japan time) at the rate of 0.3 Shares for each Share then held.
2. As a result of such distribution the Conversion Price at which the above-mentioned Bonds may be converted into Shares of the Company will be adjusted, in accordance with Condition 5(c) of the Terms and Conditions of the Bonds, effective as of 1st April, 1982, Japan time, from Yen 795.20 per Share to Yen 611.70 per Share.

Dated: 11th March 1982

ORIENT FINANCE CO LTD
By The Daiwa Bank Limited
as Principal Paying Agent

Notice to Holders of

ORIENT FINANCE CO., LTD.

(KABUSHIKI KAISHA ORIENT FINANCE)

5 1/2% Per Cent Convertible Bonds Due 1997

Pursuant to Clause 7(B) of the Trust Deed dated 2nd February 1982 notice is hereby given as follows:—

1. A free distribution of Shares of the Company will be made to shareholders registered on 31st March 1982 at 5:00 P.M. Japan Time, at the rate of 0.3 Shares for each Share then held.
2. As a result of such distribution, the Conversion Price at which the above-mentioned Bonds may be converted into Shares of the Company will be adjusted, in accordance with Condition 5(C) of the terms and conditions of the Bonds, effective as of 1st April, 1982, Japan Time, from Yen 1,597 per Share to Yen 1,295.40 per Share.

Dated: March 11, 1982

ORIENT FINANCE CO., LTD.
By Daiwa Bank (Trust Company)
as Principal Paying Agent

APPOINTMENTS

Engineering chief for British Petroleum

Mr David A. Clayton, at present a director of BP Chemicals, will become chief executive of engineering...

Mr James T. Larkin has been named president of consumer financial services group...

Subject to formal Stock Exchange approval, Mr R. H. Harris, Mr R. H. Thomas and Mr P. T. Tucker will be joining the partnership of PINCHING, DENNY AND CO. stockbrokers...

VELCOURT has appointed West German plant physiologist Dr Hermann Einfeld as a director...

Mr Derek Hadley has retired as a director and chairman of A. E. HADLEY, shopfitters, Portsmouth...

Mr J. A. Lesser, a director of J. Henry Schroder Wagner & Co., has been appointed chief executive of CZARNIKOW...

agement buyout of the company. Mr John Coleman, a director since 1955, takes over as chairman...

Mr Stephen Alexander has been appointed treasurer and company secretary of CANOVER INVESTMENTS, management buy-out specialists...

Mr J. R. Crickman has been appointed an additional non-executive director of AQUIS SECURITIES...

ABERDEEN AMERICAN has appointed two directors. Arnie Winn, who retires from Shell Oil this month, will be in charge of the operations of Aberdeen American in the U.S.

Mr Malcolm Ford has been re-appointed as a full-time member of the board of the BRITISH NATIONAL OIL CORPORATION for a further period of 12 months...

£ wavers, \$ falls

Sterling showed an easier tendency in currency markets yesterday. There was no pressure however and it tended to drift in a market lacking any firm trend...

The dollar was also easier despite a firmer tendency in Euro-dollar rates with the market ready looking ahead to tomorrow's U.S. money supply figures...

The Belgian franc fell below the D-mark in the European Monetary System yesterday. Sterling was higher at DM 4.2507 against DM 4.2710...

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Austria, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Rows include U.K., Ireland, Canada, Belgium, Denmark, Norway, Sweden, Japan, Austria, Switzerland.

CURRENCY MOVEMENTS

Table with columns: Mar. 10, Bank of England, Morgan Guaranty, Mar. 9, Bank of England, Special Drawing Rights, European Currency Unit.

CURRENCY RATES

Table with columns: Mar. 10, Bank of England, Morgan Guaranty, Mar. 9, Bank of England, Special Drawing Rights, European Currency Unit.

OTHER CURRENCIES

Table with columns: Mar. 10, Bank of England, Morgan Guaranty, Mar. 9, Bank of England, Special Drawing Rights, European Currency Unit.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Large table listing various offshore and overseas funds with columns for fund name, manager, and other details.

Save & Prosper International

Table listing various international funds and their details.

Exchange Cross Rates

Table showing exchange rates for various currencies including Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits and loans.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for 3 months and 6 months U.S. dollars.

MONEY MARKETS

London clearing bank base lending rate 1 1/2 per cent. Short-term interest rates were only slightly easier in the London money market yesterday...

Dealing rates cut

London clearing bank base lending rate 1 1/2 per cent. In the morning the authorities bought £26m of bills by way of £4m bank bills in band 1...

Gold Firmer

Gold rose \$6 1/2 an ounce from Tuesday's close in the London bullion market yesterday. In Paris the 12 1/2 kilo bar was fixed at FF 65,200 per kilo...

LONDON MONEY RATES

Table showing London money rates for various terms and currencies.

NEW YORK MONEY RATES

Table showing New York money rates for various terms and currencies.

FRANCE MONEY RATES

Table showing France money rates for various terms and currencies.

JAPAN MONEY RATES

Table showing Japan money rates for various terms and currencies.

NOTES

Notes section containing various financial news, market commentary, and updates on currency and interest rates.

FINANCIAL TIMES SURVEY

Thursday March 11 1982

FOUR-WHEEL DRIVE

Despite the effects of a world recession and oil price rises, the variety of light four-wheel-drive models now available almost parallels the car market. But, whereas this sector was traditionally dominated by the United States, the steady growth in world production is now led by Japanese manufacturers.

CONTENTS

United States: in the wake of the leisure boom	II	United Kingdom: foreigners offer a broad choice	IV
West Germany: competition for the home market	II	Comecon: great potential yet to be realised	IV
Spain: building a launching pad for exports	II	Range of vehicles: taking the rough with the smooth ..	VI
Japan: sales growing at a rapid pace	IV	Learning to drive a 4 x 4: ignorance can be costly ...	VI

Editorial production and design by Catherine Darby

Saloons: the shape of the future

By Kenneth Gooding
Motor Industry Correspondent

WORLD PRODUCTION OF four-wheel-drive vehicles used to be dominated by the U.S. As recently as 1978 the States produced twice as many as the rest of the world put together.

By 1980, however, American output had dropped steeply, hammered by the oil price increases which virtually eliminated U.S. demand for light four-wheel-drive trucks used as pleasure vehicles. Meanwhile, production in the rest of the world had been steadily moving ahead, spearheaded by the Japanese, so that by 1980 U.S. and non-U.S. four-wheel-drive output was about equal.

While most car makers still view all-wheel-drive production as an operation away from the mainstream of their activities, the Japanese perceived that this type of vehicle gave them a way of gaining a foothold in some developing countries—particu-

larly markets where the import of built-up cars was unacceptable but utility vehicles were in a different category and therefore permitted.

Sending in four-wheel-drive vehicles enabled the Japanese to set up the semblance of a distribution network and prepare for the time when they could follow through with ordinary cars. As a result the Japanese have become the world's major manufacturers of four-wheel-drive vehicles and seven of the country's nine manufacturers are involved in the business in one way or another.

In 1980, the Japanese accounted for about 43 per cent of the worldwide output of all-wheel-drive vehicles, or around 358,000 out of 840,000. The indications are that they increased their share last year. And Toyota has now overtaken Jeep of the U.S. as the major individual producer with a 1980 output of 185,000 vehicles, against Jeep's 125,624.

In its heyday, Jeep's output was around 270,000 a year and the company is determined to make a come-back. The Jeep company became part of American Motors (AMC) in 1970 and more recently AMC has come under the control of Renault, the nationalised French group. With Renault to help sort out its financial problems and share the development work on smaller and less thirsty cars for the U.S. market, AMC has been able to press on with four-wheel-drive developments.

According to Mr Roy C. Lunn, the British-born vice-president

of product engineering for AMC, by the middle of next year his company will be ready to launch a Jeep that is "new from end to end." It will be lighter and a lot less thirsty. He says the newcomer has been designed to sell throughout the world and compete particularly with the Japanese products. "A major objective is to re-establish ourselves in export markets, to get some of the growth in the non-U.S. markets."

If AMC is to succeed, though, much will depend on a recovery in the U.S. market and whether it can get back to the 1978 level when around 1m four-wheel-drive vehicles were produced in the States.

As with cars and commercial

vehicles, however, there is really no such thing as a "four-wheel-drive market." In its own way it is just as fragmented as the market for passenger cars and to a great extent parallels the car market in the variety of models available. They range from small runabouts offered by such companies as Daihatsu and Suzuki, through the work-horses represented by Land Rovers and Toyota Land Cruisers, to the executive-type Range Rover and "leisure" vehicles from the Americans.

Military development played a big part in the early days of four-wheel drive. The U.S. used them in 1916 in the Mexican war instead of mules, for example. It was not until June 1940, though, that the U.S.

Army drafted a specification for an "ideal" four-wheel-drive general-purpose vehicle and scout car. No fewer than 135 manufacturers were invited to bid but only two showed any interest and the contract went to one of them, Willys-Overland of Toledo, Ohio.

Since the 1930s the various all-purpose vehicles in the States had been called Jeeps, apparently after a character in the Popeye cartoons, and towards the end of the war Willys, which produced more than any other manufacturer (60,000 between 1941 and 1945).

As the American army spread its influence throughout the world during and after the war, so the universal potential of four-wheel-drive became appar-

ent. And today demand for the four-wheel-drive "workhorse" from the military, fire brigades, foresters, police and so on—is still the least likely to suffer from the vagaries of fashion changes and is the most solidly based—that about five times as many Land Rovers are produced in Britain as Range Rovers puts that into perspective.

The market segment which could have the biggest short-term impact on the four-wheel-drive production figures, however, is one for all-wheel-drive versions of saloon cars.

The recent success in European car rallies of the Audi Quattro, a four-wheel-drive version of the Audi 80 coupe, might have a major influence. If rival manufacturers become convinced that they have to produce all-wheel-drive cars if they are to have any chance of winning rallies, a whole new segment of the market—for sporty, four-wheel-drive saloons—could develop.

There is a good argument, in any case, for all-wheel-drive family saloons because they handle better and are relatively safer on wet and icy roads.

Subaru of Japan, which already is involved in four-wheel-drive dressed in conventional saloon-car clothing, has found its British customers are often middle-aged countryfolk willing to pay the premium for safety's sake.

When Daimler-Benz was in the process of launching its "G" wagon, it discovered that most all-wheel-drive vehicles in

Germany were registered in the Munich area. Two-thirds of the people who bought them already had another car, and yet they did considerable mileage in the cross-country vehicle—an average of 27,000 kilometres a year.

From this, D-B deduced that most of the four-wheel-drive vehicles were sold to people who wanted to be sure they could still travel when road conditions became difficult and who needed some conveyance to get them safely to the winter sports areas and back.

AMC's Mr Lunn sees the four-wheel-drive saloon car as a key element in the future American market for similar reasons. "As passenger cars are downsized, the need for four-wheel-drive to meet adverse driving situations will increase," he says.

But Lunn points out: "Fundamentally the success of four-wheel-drive in the future will depend largely on product creativity. Four-wheel-drive vehicles are more complex, heavier, less fuel-efficient and more expensive than their two-wheel-drive counterparts, so to be competitive they need outstanding functional capabilities."

It will also depend on the efforts of those companies which, like AMC and Land Rover, have four-wheel-drive operations as part of their mainstream business.

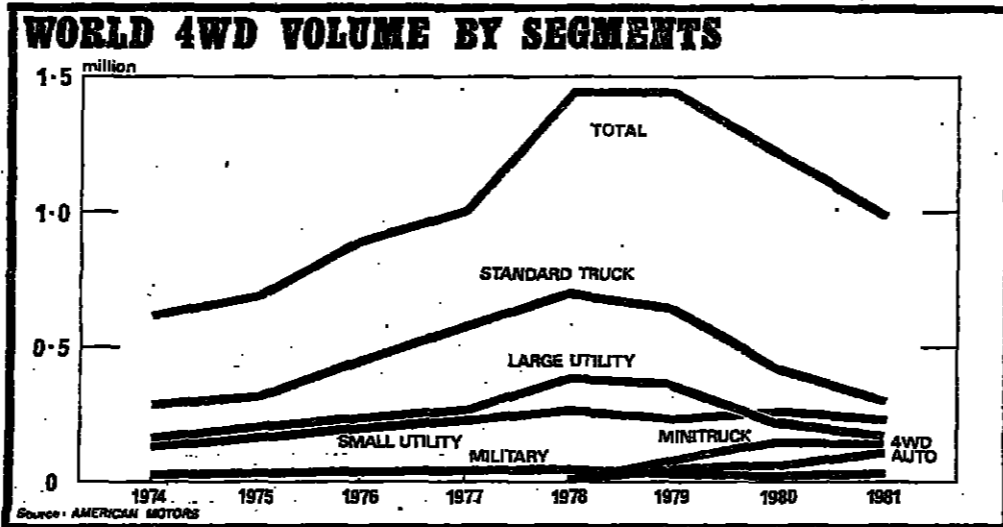
For example, in Austria Steyr-Daimler-Puch seems determined to play a greater role in the market. Not only is it producing the four-wheel-drive "G" wagon for Daimler-Benz, it has

also been having discussions with Volkswagen about building four-wheel-drive Transporters (VW's high commercial) and minibuses for the German group and with Fiat to provide four-wheel-drive units for the Panda saloon.

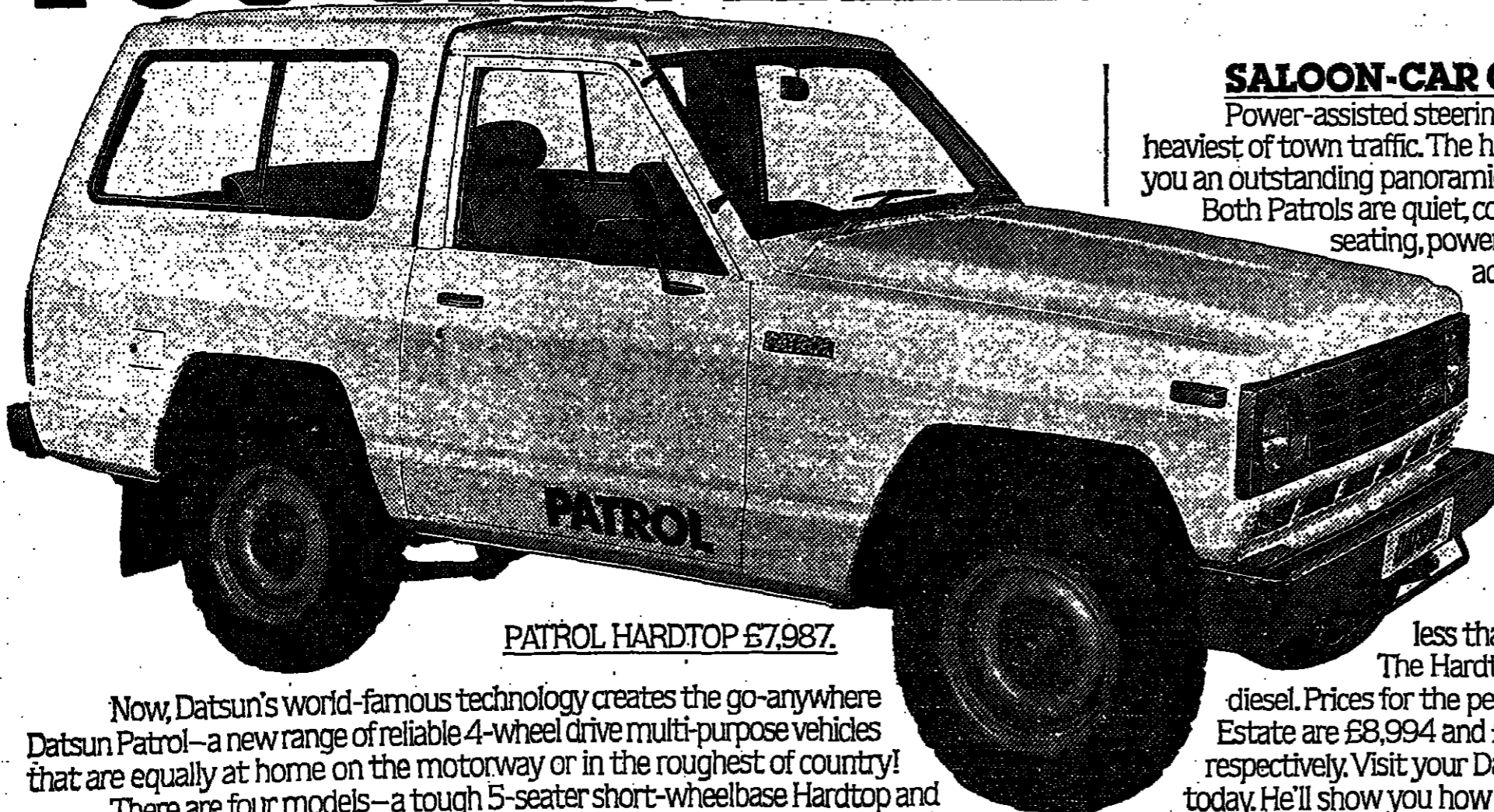
The "flow" of trade in four-wheel-drive vehicles around the world threatens to become quite a flood. The Eastern Europeans, particularly Russia with the Lada Niva, see such vehicles as a useful export to earn hard currency. Renault seems determined to help the Jeep to be better established in Europe and elsewhere. To balance matters, BL might well put the Range Rover on the U.S. market through its existing Jaguar car dealers now that the Range Rover is in good supply and seems likely to remain that way.

Nissan of Japan plans to make about 20,000 four-wheel-drive Patrols in Spain—at Motor Iberica where it now has a controlling interest—and to export most of them to other parts of Europe.

All this activity, and the marketing efforts associated with it, should push non-U.S. four-wheel-drive production continually upward. AMC predicts that output outside the States will rise from just over 500,000 in 1980 to 700,000 by 1984 and possibly 900,000 by 1988. For the U.S. AMC suggests that production can come back from just over 700,000 in 1980 to 1m by 1984 and nearly 1.1m by 1986. That would take world four-wheel-drive output up from 1.2m in 1980 to between 1.9m and 2m in 1986.



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Whichever Patrol you choose, you'll find it can take you across the most punishing terrain. There's a simple-to-use transfer gearbox with high and low ratios and a limited slip locking differential to help you out of the toughest holes; free running hubs to improve economy on 2-wheel drive; and power-assisted brakes with discs up front to give precise and responsive braking wherever you are.

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The Estate also has luxurious cloth upholstery and deep-pile fitted carpets. And of course there's loads of room for both people and cargo. The rear seats on both vehicles can be folded forward and the split rear tailgate makes even the bulkiest cargo easy to load.

UNBEATABLE VALUE.

The price that some manufacturers ask for multi-purpose vehicles of this class emphasises the value you get with Datsun. The new Datsun Patrols actually cost less than some people charge for an ordinary estate car.

The Hardtop is £7,987 for the petrol version and £8,756 for the

diesel. Prices for the petrol and diesel Estate are £8,994 and £9,747 respectively. Visit your Datsun dealer today. He'll show you how to take the rough with the smooth.



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FOUR-WHEEL DRIVE II

Manufacturers in the industrialised and Comecon countries are having to adopt a variety of different strategies. Our correspondents report on this page and page four.

Now that the leisure boom is over...

THE AMERICAN fascination with four-wheel-drive vehicles has little to do with their abilities to cope with mud, snow and sand. Just as designer jeans bring a cowboy ambience to fashion's Fifth Avenue, the demand for 4WD pick-ups and utility vehicles comes mainly from suburbanites unlikely to use the extra traction for much more than getting unstuck from a snow-drifted shopping centre car park.

The 1970s recreation boom that spawned hot tubs and hang gliding pushed four-wheel drive sales close to 1m by 1978, a specialised niche nearly half the size of that year's import car market. Even four years after the first oil embargo by the Organisation of Petroleum Exporting Countries (Opec), four-wheel-drive sales seemed immune to the concern over fuel economy affecting passenger cars.

However, today the market is still overshadowed by the memories of the consumer panic over petrol supplies which followed the Iranian revolution. Sales figures for four-wheel-drive vehicles in 1981 put

together by the Motor Vehicle Manufacturers Association totalled 314,834, a drop of 68 per cent from the record year of 1978. Despite the influx of smaller, more economical designs, most market analysts expect it will be four to five years before four-wheel-drive sales recover to 1978 levels.

The decline in popularity was mainly because of their insatiable thirst for petrol. The four-wheel-drive vehicles popular in the 1970s frequently achieved less than 10 mpg, putting them on a par with the worst gas-guzzlers on America's highways. Some of that inefficiency was due to the friction of the extra driving axle, but most stemmed from the popularity of large-displacement V8 engines.

New development programmes today concentrate on either reducing the size and weight of the chassis, or substituting more fuel-efficient power plants, including diesels. That choice depends on the perception of whether small trucks and utility vehicles will eventually gain the same acceptance in the U.S. as small cars. The same problem

faces manufacturers of light trucks today which built up their business in the 1970s through recreational sales only to see them plummet in the wake of the Iranian revolution.

"The truck market for the 1980s will be divided into two distinct categories," says Joseph A. Campana, general manager of Chrysler's truck group. "The first will consist of people who buy trucks for work. The second will consist of people who buy trucks for personal and recreational use. This market will be dominated by smaller, lighter trucks."

Mr Campana's analysis appears to be shared by other U.S. manufacturers, which are planning to introduce the broadest range of new four-wheel-drive vehicles in decades, all much smaller than the vehicles they replace.

In 1983, American Motors (AMC) plans a new, 1,000 lb lighter version of its four-wheel-drive Cherokee station wagon. Ford will introduce a lightweight Bronco based on its smaller Subcompact pickup chassis; General Motors (GM)

likewise plans a new Blazer based on its own recently introduced subcompact truck.

Ford and GM also has plans to add four-wheel-drive to their new small pick-ups, while AMC is developing a subcompact version of its CJ-series "Jeep" vehicles.

"We're really quite bullish about the market," says D. Dean Greb, director of Jeep marketing for AMC. "We recently commissioned an independent

study that confirms what we thought: there's a lot of pent-up demand out there. The study shows that one out of four Americans has a desire to own a four-wheel-drive vehicle, and about half the teenagers. It's still a youth market."

It is also a market that today must share with imports. Subaru imports approximately 60,000 four-wheel-drive vehicles a year built by Japan's Fuji Heavy Industries. Toyota and Nissan recently introduced four-wheel-drive pick-up trucks, and Toyota sells a small number of its four-wheel drive Land Cruisers.

The success of these imports adds to the market pressure to reduce the size of existing U.S.-built vehicles, but developing an energy-efficient four-wheel-drive vehicle is becoming an increasingly expensive proposition.

Most of such vehicles built in the U.S. today are based on light truck chassis in the 6,000 lb to 8,500 lb gross vehicle weight range. These rely mainly on engines and transmissions developed for large passenger

cars. Recreational four-wheel-drive vehicles and pick-up trucks using these passenger-car V-8 engines reap the benefits of high volume low-cost manufacturing which is difficult to achieve in this specialised market.

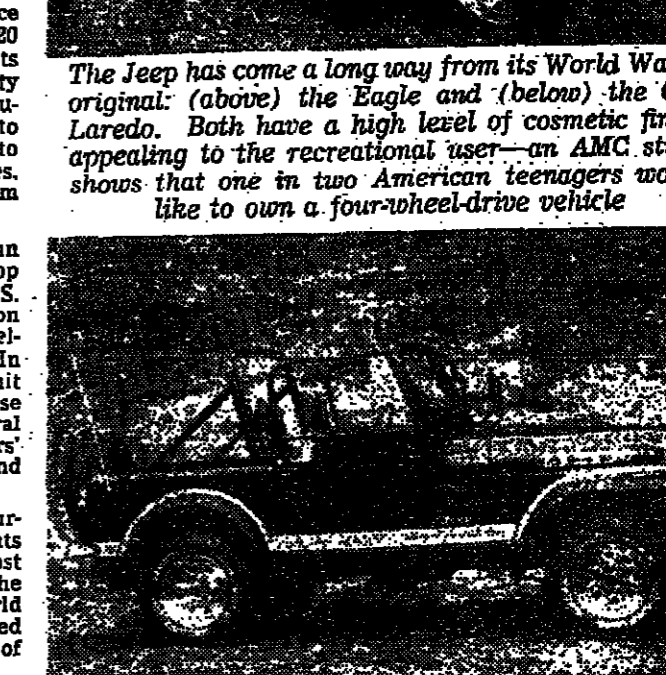
But that is changing. Declining popularity of large-displacement engines for passenger cars and the rapid shift to front-drive transaxles in the U.S. has significantly reduced manufacturing capacity for light truck drive trains.

All this adds to the incentive to "downsize" four-wheel-drive vehicles, so that the new generation of small displacement passenger engines can be used. A specialised gearbox that allows both axles to be driven is supplied principally by Chrysler's new process transmission plant. Chrysler is already developing a new, light-weight unit.

The demise of passenger-car component capacity adds to the attraction of supplying engines from overseas. So far, GM anticipates importing a light-duty diesel from Isuzu Motors for its new subcompact trucks, and AMC will be using a small diesel built in France by Renault.

Mr Campana still anticipates that 33 per cent of a 4m truck market in 1986 will be full-size pick-ups and, if current ratios hold, about a fifth of those will be four-wheel drive. "This represents mainly the 'hard-core' commercial user who can use the extra load-carrying capacity. But he admits companies such as Chrysler will need about 250,000 units annually to justify V8 engine plants for the exclusive use of building truck engines.

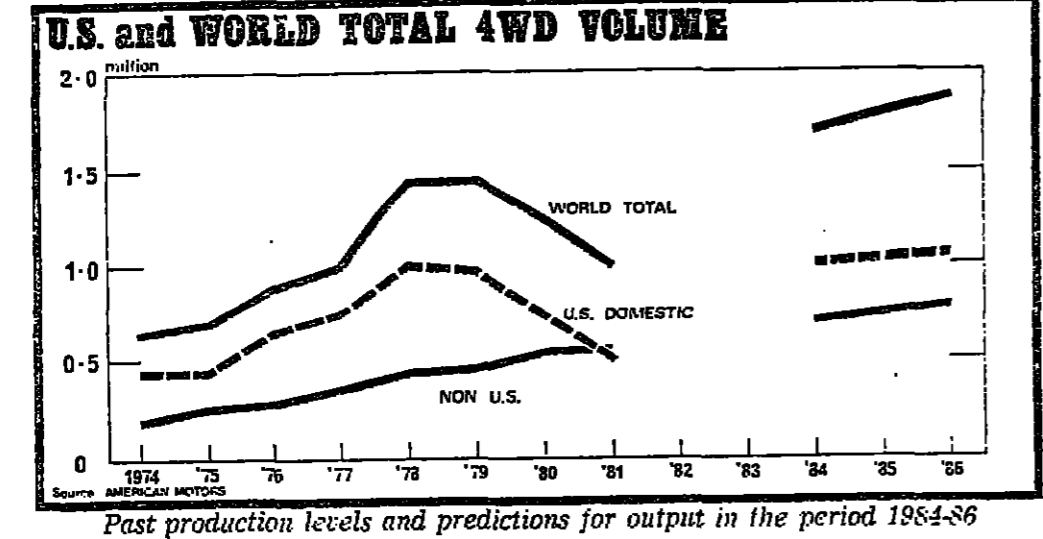
GM recently developed a 6.2-litre diesel engine specifically for light trucks. It is an expensive alternative,



The Jeep has come a long way from its World War II original: (above) the Eagle and (below) the C17 Laredo. Both have a high level of cosmetic finish appealing to the recreational user—an AMC study shows that one in two American teenagers would like to own a four-wheel-drive vehicle.

United States

DAN MCCOSH



LIGHT FOUR-WHEEL-DRIVE VEHICLE PRODUCTION 1980

(Some major producers)

Country	Manufacturer	Production (1979 total)
Austria	Daimler-Benz, Steyr-Daimler-Puch "G"	7,500
COMECON	Lada (USSR), Niva (ARS (Rmania), Mahindra)	25,000
India	MAHINDRA	15,000
Italy	Fiat	3,900
Japan	Toyota	116,200
	Land Cruiser	1,800
	Blizzard	67,000
	Bl Lux	26,000
	Patrol	15,000
	Nissan	50,000
	Datsun	25,000
	Isuzu	9,200
	Subaru	50,400
	Mitsubishi	50,400
	Suzuki	17,900
Spain	MSA	2,200
	Viasa	17,900
	Land Rover	3,900
	Jeep	2,900
UK	Land Rover	51,200
	Range Rover	9,700
	Jeep	62,911
	Cherokee	7,514
	CJ	27,907
	Pick-ups	6,829
	Wagoner	18,421
	AMC Eagle	12,545
	Eagle Station Wagon	16,274
	Eagle SX	4,113
	Chevrolet	21,109
	Blazer	5,534
	GMC Jimmy	5,534
	Bronco	33,253
	Scout	130,059
West Germany	VW-Audi	3,400
	Titis	3,400
	Quattro	390

In competition for the expanding domestic market



Top: the VW Iltis. Ordered by the West German army in 1976, there were no follow-on orders so production ceased last year. Middle: VW's sporty, turbo-charged four-wheel-drive, the Audi Quattro coupé, has a top speed of over 137 mph. Bottom: two- and four-door Gelandewagen produced by Daimler-Benz to compete with the Range Rover

THE WEST GERMAN market for four-wheel-drive vehicles is dominated by importers. Only Daimler-Benz and to a limited extent Audi have taken the pains to develop new products for this small but growing market, and Daimler-Benz itself draws its cross-country vehicles from production outside the group at Steyr-Daimler-Puch in Austria.

As relative newcomers Daimler-Benz and Steyr-Daimler-Puch sold 7,494 of their G-range — "Gelandewagen" — in the first full year of production in 1980 of which some 6,656 were marketed under the Mercedes-Benz name.

The venture, hit partly by the prolonged recession in many of the world's leading automobile markets, has not performed as well as originally hoped, and the two companies chose to restructure the organisation fundamentally last year.

Originally the two companies established a 50-50 joint venture in 1979, but Daimler-Benz quickly discovered it was unhappy to accept the restrictions on its ability to develop and extend the cross-country vehicle model range imposed by such a structure.

Steyr-Daimler-Puch has taken over full responsibility for production of the G-range at its works at Graz, Austria, and assembles the vehicles — chiefly from Daimler-Benz components — on a fee basis for the West German concern. The two concerns have exclusive sales rights in specific markets, but Daimler-Benz has taken full control over model development and for quality control.

The manufacturing relationship between the two companies is similar to that existing between Porsche and Volkswagen/Audi, where the Porsche 924 and 944 models are built under contract at an Audi plant in Bavaria. Volkswagen placed the production of its successful Scirocco model outside the group at Karmann in Osnabrück. Daimler-Benz, which is still

losing money on its venture into the four-wheel-drive market, holds the sales rights for most of the world's major markets due to the strength of its established far-flung sales network for both cars and commercial vehicles. Steyr-Daimler-Puch sells the G-range — it competes directly with BL's Range Rover — only in Austria and Switzerland, Yugoslavia and the East bloc, but Daimler-Benz has responsibility for the rest of the world.

In the Federal Republic the West German concern has established a share of about 14 per cent of the four-wheel-drive market. It is only competing at the top end of the market, however, against major rivals such as Nissan and Toyota of Japan and BL's Range Rover from the UK. In this category, for vehicles starting from a price of about DM 30,000 (£7,000) Daimler-Benz claims a market share of 23 per cent.

Its sales in West Germany last year fell sharply by some 48 per cent to 1,984 from 3,833, but this was partly due to a restrictive domestic sales policy imposed by Daimler-Benz to free more production for the start the drive into export markets. It is aiming about a third of its sales at the West

German market. Of the remaining two-thirds about 60 per cent is being sold to other European countries and a third to overseas markets.

Output from the Steyr-Daimler-Puch works at Graz is being held at about 8,000, capacity working for one shift production, and demand appears unlikely to justify the leap to two-shift working for at least two years.

For Daimler-Benz the attraction of going into partnership with Steyr-Daimler-Puch lay originally in gaining access to additional production capacity. At its domestic plants, car and heavy truck operations production is running at full capacity. Just as important, however, the multi-purpose all-terrain vehicle has allowed the German concern to close a gap in its high quality product range between its cars and light commercial vehicles.

With the increasing amount of leisure time in modern society, combined with the West German already exaggerated taste for foreign travel, Daimler-Benz promises itself, at least in the longer-term, a strong share of a growing market.

The total West German market for four-wheel-drive vehicles is estimated to have risen last year to 17,235 units from 14,640 in 1980, according to the Federal

Motor Vehicle Office. But this still accounts for only 0.7 per cent of total West German new registrations of cars and estate cars. Four-wheel-drive vehicles make up just 0.2 per cent of West Germany's total car population of 23.7m. At 43,288 units the stock of four-wheel-drive vehicles in the Federal Republic did increase last year, by just over 50 per cent from 32,018 in 1980.

With the exception of Daimler-Benz, the West German market for four-wheel-drive vehicles is held virtually exclusively by importers, dominated by the Japanese Toyota, Suzuki, Subaru and Nissan. At the bottom of the market the small Russian Lada Niva is emerging as a more serious competitor for the Japanese, while BL's Range Rover is present among the more expensive competition.

BL's Land-Rover has made little impact, having lacked until just over a year ago a

general type approval from the West German vehicle registration authorities.

The only other traditional West German manufacturer of all-terrain, four-wheel-drive vehicles, Volkswagen, has virtually withdrawn from the sector following the completion of a large military contract to supply the West German forces with 8,800 of its Iltis models: half-tonne cross-country vehicles. Military contracts also offer a potentially promising market for Daimler-Benz and Steyr-Daimler-Puch, and the West German concern won a block order last year to supply 450 vehicles to the Norwegian Army. The two companies have combined with Peugeot to supply four-wheel-drive cross-country vehicles to the French Defence Ministry.

The West German Army ordered the VW Iltis in 1976 chiefly because about 90 per cent of the components were standard parts, which helped substantially to reduce the costs. Of the 8,800 units delivered since production started in 1978, some 8,470 were bought by the army, 310 by the West German air force and the remaining vehicles by the navy. However, without the prospect of any follow-on orders from

the armed forces, VW was forced to close production late last year.

It is still negotiating with a Canadian company, Bombardier which is seeking to buy both the VW Iltis technology and the production facilities, with a view to producing similar vehicles in North America. The deal, announced in October last year as an agreement in principle, is still to be approved by the main boards of the two companies and appears to hinge on Bombardier gaining an initial large contract for the Canadian forces. Under the outline agreement negotiated last year the Canadian company would also acquire rights to market, sell and distribute the Iltis range worldwide.

Volkswagen's four-wheel-drive technology is chiefly represented in the sporty Quattro coupé introduced in 1980 by its Audi subsidiary. The car has already scored some success in important rallies, taking a high position in the last Monte Carlo rally, and it has added some extra glamour to the more utilitarian VW range. But sales are still modest and the Quattro notched up a volume of only 885 units in West Germany last year of total Audi sales in the Federal Republic of 151,144.

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Spain

ROBERT GRAHAM

The industry had not expected Nissan to take majority control so quickly "but a spokesman at Motor Iberica said that the sharp shortfall in sales of agricultural machinery, especially tractors, coupled with poor sales of light industrial vehicles, had seriously affected company cash flow.

It was thought prudent to let the Japanese inject new cash at this point. The Japanese at the same time have indicated they will pump in between Pta 5bn to Pta 12bn "whatever is necessary," to ensure investment needs. This means that by the end of the year Motor Iberica will have the beginnings of a real Japanese identity — this, incidentally, is the biggest Japanese industrial commitment in Spain.

Of the two licensed models to be produced, one will be the four-wheel-drive Patrol, the

other is the Vanette. Motor Iberica expects to be rolling off the first Patrols either late this year or early next year. Eventual production levels have been stated at 20,000 units of which roughly two-thirds will be exported, existing foreign investment laws concerning the Automotive Industry obliging local manufacture of over 65 per cent of the parts although it has not yet been stated what initial percentage of Japanese components are to be imported.

The entry of Nissan on such a scale underlines the growing liberalisation of what has traditionally been a highly protected sector. The Nissan Patrol will compete directly with Land-Rover in what has been a near monopoly of the market.

The Land-Rover is produced under licence by Metallurgica Santana. Such an operation was the only acceptable way round the high protective tariffs. Land-Rover of the UK has a 49 per cent stake in Santana, the other shareholders being Spanish private interests — mainly banks.

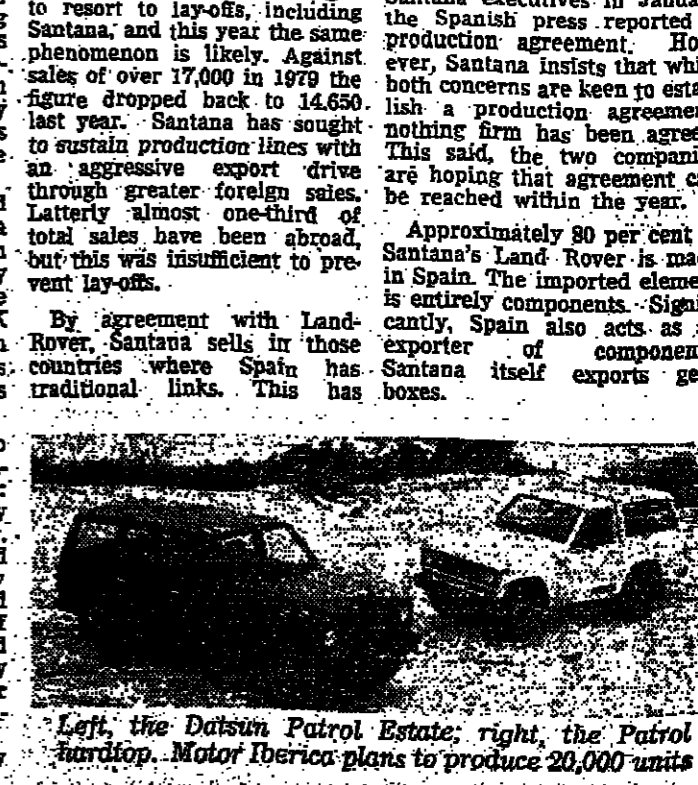
Santana has been able to build up an important operation based round two markets: one prompted by a steady decline in the public sector, especially from the armed forces and the other caused by the topographical nature of Spain with a poorly developed infrastructure of secondary roads, making the Land-Rover ideally suited to these conditions.

The main models produced by

Santana are the Land Rover 88 and 109 diesel. But the range extends to the Land Rover 2,000 and various special versions. Production capacity is around 17,500. This was based on growth projections for the domestic market in the 1980s which are now proving too optimistic (last year as a whole the automotive sector witnessed sales levels drop to those of the end of the 1960s.)

Virtually every automotive producer last year was obliged to resort to lay-offs, including Santana, and this year the same phenomenon is likely. Against sales of over 17,000 in 1979 the figure dropped back to 14,550 last year. Santana has sought to sustain production lines with an aggressive export drive through greater foreign sales. Lately almost one-third of total sales have been abroad, but this was insufficient to prevent lay-offs.

By agreement with Land-Rover, Santana sells in those countries where Spain has traditional links. This has



Left: the Datsun Patrol Estate; right: the Patrol hardtop. Motor Iberica plans to produce 20,000 units

Japan aside by world's worst horse

by ROGER BALL

LAND ROVER LTD. have obtained a contract to supply vehicles to the Japanese military from the start of 1982. This news follows a firm order for 2000 Land Rovers from the Japanese Ministry of Defence in February 1981. The order is for 1000 Land Rovers to be delivered to the Japanese Ministry of Defence in February 1982. The order is for 1000 Land Rovers to be delivered to the Japanese Ministry of Defence in February 1982.

Land Rover's 26 litre six-cylinder engine is offered in a range of power options from 100 to 150 bhp. The 26 litre six-cylinder engine is offered in a range of power options from 100 to 150 bhp. The 26 litre six-cylinder engine is offered in a range of power options from 100 to 150 bhp.

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New Land Rover does well over a ton uphill

By A. K. GREENER

IN A SERIOUS bid to widen the gap between the "world's worst horse" and other parts of the world, Land Rover is reported to have a new vehicle on the drawing boards. It would be a 4x4 vehicle, but only a 4x4 vehicle. It would be a 4x4 vehicle, but only a 4x4 vehicle.

Work
One of the most versatile of the new Land Rovers is the 1090 cc. model. This is a wide range of Land Rover's new range of vehicles. It is a wide range of Land Rover's new range of vehicles.



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For the record this year Britain has had the wettest March since 1967, the wettest April since 1968 and the wettest May since 1969. In fact, there's never been a drier March since 1947.

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A Rover will
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The 1000 mile journey from... The 1000 mile journey from... The 1000 mile journey from...



BOOK REVIEW
A guide to expedition
BY MALCOLM GASKIN
The Royal Geographical Society's expedition to the Himalayas is a book that is well worth reading.

Rapid growth of sales

LOOKING AT the Japanese market overall, there is a steady growth in the demand for four-wheel-drive vehicles. Most of the major Japanese vehicle manufacturers produce one or two models, excepting Honda and Toyo Kogyo (Mazda).

In 1981, total sales by all companies of 4 x 4 vehicles topped 130,000 units; by the end of October last year, 104,404 vehicles had been sold, making an increase of 114 per cent over the total of 68,365 units for all of 1980. Previously, the totals had grown from 31,068 units in 1977, to 42,459 units in 1978 and 47,618 in 1979.

There are 15 different types of 4 x 4 vehicles produced in Japan, mainly on the lines of the jeep-like Toyota's Land Cruiser and Nissan's Safari or Patrol. Pick-up trucks, vans and more comfortable passenger models are, however, also rapidly gaining in popularity.

The biggest manufacturer of four-wheel-drive vehicles in Japan is Fuji Heavy Industries, producer of Subaru cars; nearly one-third of their exports are four-wheel drives. Toyota, producer of the Land Cruiser and Blizzard (both jeep types) and the Hi-Lux pick-up truck, achieved total exports of 189,000 units in 1981, compared with 172,000 units in 1980 and 156,000 in 1979. The Blizzard is sold mainly on the domestic market, whereas the Land Cruiser goes to Australia, Saudi Arabia and Indonesia and the pick-up trucks are more popular in the U.S.

Toyota has been making pick-up trucks for the past five years and the Land Cruisers for a lot longer. Sales figures from the Japan Automobile Sales Association give Hi-Lux as 3,734 units in 1980, dropping to 2,743 units in 1981 for the domestic market, where sales of the Land Cruiser were 8,789 units in 1980, rising to 8,225 units to October 1981. The new model Blizzard sold 1,648 units in 1980 and

1,376 units to October 1981. The Blizzard, which comes only with a diesel engine, retails from US\$5,900 to US\$7,500 on the domestic market; the Land Cruiser, which offers petrol or diesel engines, is priced from US\$7,227 to US\$9,318; and the Hi-Lux truck ranges from US\$5,409 to US\$6,727.

Nissan announced an export total of 34,350 four-wheel-drive vehicles in 1981. Sold under the name Safari or Patrol, the export figure breaks down as follows: 9,285 units to Asia, Australia and New Zealand; 1,751 to Canada; 7,715 to Africa; 6,925 to Europe; and 8,593 to the Middle East.

No four-wheel-drive vehicles are sold to the American market — Nissan concedes that Toyota's Land Cruiser had got there first — nor are there any plans to produce the vehicle in the proposed truck facility in Tennessee.

Nissan detect a growth in this segment of the vehicle market, particularly among young and middle-aged groups in the snow country of northern Japan.

The four-wheel-drive Datsun truck is available on the Japanese domestic market with a 1600 cc or 1800 cc petrol engine ranging from US\$3,800 to US\$9,000 with special van bodies. They are also available with the 2200 cc diesel engine at prices from US\$4,570 to US\$6,590. The Safari, as it is known in Japan, is available with the 3300 cc diesel engine from US\$7,500 to US\$9,400, and the 4000 cc petrol engine from US\$7,636.

The Patrol/Safari sold 2,359 units in 1980 and 1,833 units to October 1981 in Japan; Datsun four-wheel-drive trucks sold 2,787 units in 1980 and 3,819 units to October 1981.

Fuji Heavy Industries' four-wheel-drive Subaru exports in 1980 were 85,000 units but 81,000 in 1981; over the past year U.S. sales of all vehicles,

including four-wheel-drive, had dropped.

The four-wheel-drive vehicles are very popular with young people in the home market. The domestic model is called the Leone and comes in two-door and four-door sedans, both 1600 cc and 1800 cc. In the U.S. they are known as the Subaru; a pick-up type is called the Sambar.

A recent increase in sales of recreational vehicles helped Fuji expand sales of four-

offspring of Nakajima Aircraft Manufacturing that made many of Japan's wartime aircraft. Indeed, Fuji expects to equip its Subaru with turbochargers originally designed for aircraft engines.

Suzuki produces the Jiminy (a jeep-style four-wheel-drive) and the Carry (pick-up truck and van), but only the Jiminy is exported—the main overseas market is Australia. Although production was started 12 years ago, sales are continuing to grow. In 1981, domestic sales were 45,000 units and exports, 44,000 units, up on 1980's figures of 13,000 domestic sales and 37,000 exports.

By virtue of a licence with Jeep of the U.S., Mitsubishi, which has both the Jeep and the Forte pick-up truck models, is the only company permitted to use the name "Jeep"—which came to Japan with the Allied Forces in 1945. Export figures in 1980 were 9,200 Jeeps and 13,000 Fortes; in 1981 they were 7,800 Jeeps and 18,000 Fortes. The major export market is Australia.

The Japan Sales Association gave the domestic sales figures for the four-wheel-drive Forte as 294 in 1980 and 1,155 in 1981; Jeep sales were 7,565 units in 1980 and 5,515 units to October 1981; pick-up truck sales were 1,516 units in 1980 and 931 units up to October last year.

Isuzu has two four-wheel-drive models: a one-ton truck, Futar, Rodeo, and the Rodeo Bighorn (jeep model). Production is about 3,500 units a month, of which 60 to 70 per cent is exported. The Bighorn is domestically very popular with the young Japanese as a leisure vehicle—an idea originally imported from America.

Finally, Daihatsu has a jeep model called the Taft although its sales dropped from 740 units in 1980 to 328 up to October 1981.

Japan

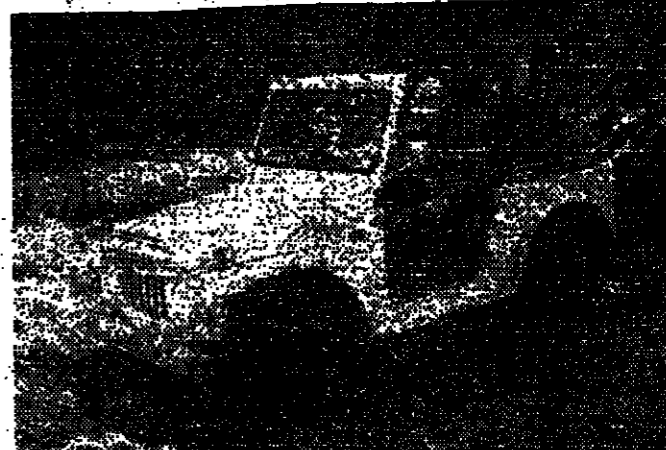
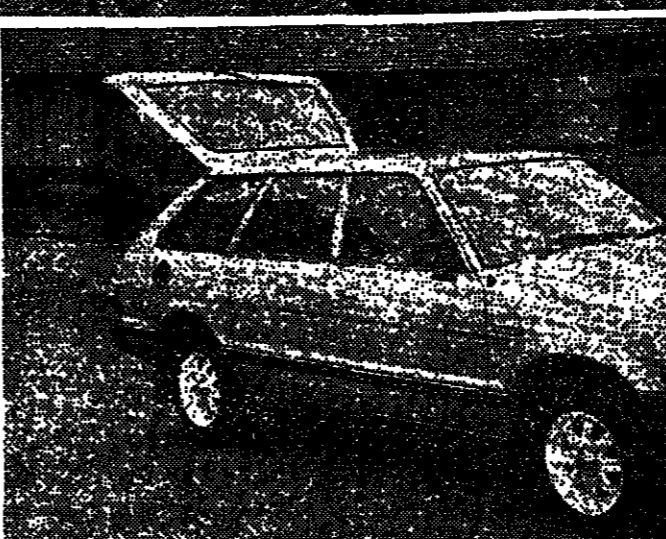
JOHN FUJII

wheel-drive cars in both the domestic and overseas market. It has certainly helped to boost its net profits from US\$24m in 1980 to US\$51.3m in 1981.

It is estimated that about 35 per cent of the Subaru Leone vehicles exported last year were four-wheel-drive—in total, exports to Australia and Switzerland, the ratio of four-wheel-drives was more than 90 per cent. About 45 per cent of the 45,000 Leones sold domestically were four-wheel-drive. Sales figures were 21,319 units in 1980 and 18,604 up to October 1981. Sambar sales were 4,922 units in 1980 jumping to 32,813 units up to October 1981. The latest four-wheel-drive Leone include features such as four-wheel independent suspension, power steering and automatic transmission.

The motoring world was favourably impressed by the Subaru four-wheel-drive when it won the class championship in the Safari Rally two years' running, in 1980 and 1981.

The first four-wheel-drive vehicles were marketed by Fuji in 1975. The company is an



Five of Japan's 15 different types of four-wheel-drive vehicles. Top left, Daihatsu's Jeep, the Taft; top right, Suzuki's 800 cc Jiminy. Middle left and right, Toyota's Hi-Lux pick-up truck and Land Cruiser diesel estate—with the jeep-type Blizzard, Toyota achieved total exports of 189,000 units in 1981, an increase of 17,000 over 1980. Below left, the Subaru 1800GL estate

Foreign competitors offer a broad choice

THE UK market for four-wheel-drive vehicles is starting to look very crowded. This is the realm over which Land Rover once reigned supreme. Up until 1970, anyone wanting a cross-country work-horse bought a Land Rover; there was nothing else available. From 1970 until the mid-70s, the same capability but with a lot more style and comfort became available—for a lot more cash—in the form of the Range

hatsu (£5,721) for what looks like a Land Rover, but is a lot smaller and uses less fuel. If cost is a major consideration, he can opt for the Russian-built Lada Niva (from £4,570 to £5,200), also smaller, rather basic but still capable. And if payload is of no significance at all, the Suzuki LJ-80, a diminutive 800cc Jeep-like vehicle in open and closed forms (£3,700 to £3,900), is available with a fuel consumption in the mid-20s. Suzuki has been promoting it as a recreational vehicle under a "Wild Weekender" tag.

Although 4wd sales in the U.S. have plunged through a loss of interest in them as recreational vehicles, the market is still ticking over in the UK. A large number of Range Rovers find their way to coach-work specialists for alterations which are often more cosmetic than utilitarian.

Meanwhile, Subaru has hit on what appears to be a new and growing market. Three years ago it began selling four-wheel-drive saloons and estates which are

seen in that light. There is no prospect for the foreseeable future of Land Rover Ltd diversifying from its two product lines. But, after what Mr Mike Hodgkinson, Land Rover's managing director since the 1978 re-organisation, declares was a previous 10-year hiatus in product development, it is going flat out to offer vehicle specifications exploiting every niche of the two sectors in which it does compete.

At the same time, it will soon enter the third and last phase of an expansion programme which, by 1984, will have doubled capacity to 85,000 Land Rovers and 25,000 Range Rovers a year.

That programme will cost £200m, a figure which includes, however, the development of new products. It has been truncated from the £310m figure originally envisaged, and the main thrust has been changed from capacity expansion to product development. Nevertheless, the engine assembly plant at Solihull has

United Kingdom

JOHN GRIFFITHS

Rover. Since then, however, there has been a steady influx of alternatives.

In the past seven months alone there have been three new arrivals which, unlike some of the other 4wd offerings, are pitched squarely at creating off-road Land Rover sales. They bring to 11 the number of manufacturers now competing for a slice of the action—including the Talbot Matra Rancho, a Range Rover look-alike which does not as yet have 4wd but will shortly get it. The Rancho is pitched at the same market on the basis that an awful lot of Range Rover owners like the looks of their machines yet rarely use its 4wd capability.

The predictable effect of this competition on Land Rover Limited was set out under BL's 1978 reorganisation to build and sell Land and Range Rovers as a separate entity under the BL umbrella — is that it is losing market share, at least as measured by Society of Motor Manufacturers and Traders' statistics. The SMMT categorises the Land Rover as a "light 4 x 4" commercial. It shows the BL product's share of that market falling from 61.09 per cent in 1980 to 50.54 per cent last year.

The Range Rover has to be hunted for in the car statistics, together with some versions of American Motors Corporation's Jeep, the Rancho, Toyota's Land Cruiser, some Subarus and the Russian-built Lada Niva light 4 x 4 cars. It still dominates the 4 x 4 market, but accounts for about 58 per cent of such sales against about 66 per cent in 1980.

This squeeze is happening, however, not because the new arrivals are any better than the BL products. Land Rover's executives take visible pride in their well-supported claim that the aluminium-bodied Land Rover lasts half as long again as any steel-bodied rival and that there is nothing to touch the Range Rover for refinement. It has come about because user needs vary so much and there is no longer a need to base a compromise around the BL products.

Here are some examples:—A forestry worker who wants primarily to gain access to remote areas does not necessarily need the substantial payload capacity of the various forms of Land Rover (£6,000 to £9,000). So he can go to Dai-



The four-door Range Rover, launched in 1981. Production of the Range Rover has been raised twice from the end of last year

indistinguishable from conventional cars except for an extra two- to four-wheel-drive shift lever. Not only has it found acceptance among rural dwellers such as vets, who want a car but have farm tracks to cope with; it has been latched on to by cautious types living in towns who like the extra security and mobility provided by its ability to cope with roads made treacherous by rain, ice and snow.

Quite where the embryo trend to four-wheel drive cars will lead is still hard to guess, but the instant success of the Audi Quattro 4wd coupe in motor rallying has produced a hive of activity among other manufacturers. Talbot, Citroen, Ford, Opel, Renault and Porsche have all plunged into 4wd development. So far only Audi is understood to have definite plans to market a three-box 4wd saloon to complement the Quattro, which went on sale in the UK last year at £15,000. But Fiat has concluded an agreement with Steyr-Daimler Puch of Austria which will see four-wheel-drive versions of the Panda small hatchback built before the end of this year. No decision has yet been taken as to whether it will be built in right-hand drive form.

What has happened overall, therefore, is that a once single, identifiable market based on utility has fragmented into almost as many sectors as conventional cars, and the sales and production performance of Land and Range Rover must be

UK FOUR WHEEL DRIVE SALES "Commercial"

	1981	%	1980	%
Land-Rover	5,666	50.54	6,324	61.09
Subaru	1,827	16.30	1,229	10.46
Daihatsu	1,183	10.55	1,895	13.58
Suzuki	1,012	9.03	727	6.19
Toyota	999	8.91	888	7.56
Jeep	157	1.40	147	1.23
Mercedes	91	0.81	335	0.0
Others	277		335	
Total market	11,312		11,745	
"Cars"				
Toyota Land Cruiser	190		0	
Range Rover	2,394		2,521	
Lada	114		280	
Jeep	68		106	
Subaru	1,329		902	
Total market	4,095		3,509	

† Insufficient data for every percentage.
Source: SMMT.

The trouble is, all this investment has been going on at a time when world sales of four-wheel-drive vehicles of the Land and Range Rover type—which total between 200,000 and 250,000 units, of which Land-Rover Ltd has a third—are not very buoyant. About 70 per cent of output of both is exported.

Early last year, with sterling still high against the dollar and the yen—Land-Rover's main rivals are the Japanese—the UK company went through a very sticky patch. From sales of 61,000 in 1980, last year produced a total of 53,000—10,441 of which were Range Rovers. The later weakening of sterling, though not against Eurocurrencies, did help in areas like the Middle East, however, where sales of 6,000 vehicles—nearly half of them Range Rovers—represented a 64 per cent increase.

Even in Africa sales increased by 12 per cent, although all importers are experiencing difficulties' dwindling reserves of foreign exchange.

Land-Rover is entering 1982 with "cautious optimism" about its future, but almost certainly with a fair amount of its current capacity for 80,000 vehicles a year going spare.

The brightest feature is Range Rover. Production has been raised twice from the end of last year and it may get a further boost from its possible introduction through Jaguar dealers to the U.S. From a low point of 159 a week in 1981, production is being raised to 240 this month, plus about 30 kits a week for assembly abroad.

The four-door version was launched in European markets between last October and this January, lifting total Range Rover sales considerably. Overall, its exports are up by 45 per cent on the first two months of last year, while in the UK a record 240 were sold in January — a 67 per cent increase.

Meanwhile Land Rover output is running at 600 built-up and 330 kits a week.

While the full benefits of the investment programme have yet to be realised, Land Rover Limited still expects to be able to repeat past performances and remain, with the Unipart spare parts division and now Jaguar, as one of the few BL divisions to make a profit. Its results are not isolated in the BL accounts, however, and last year's output is believed to be rather more modest than the estimated £40m achieved in 1980. Nevertheless, the company says it has been containing costs well below the level of inflation.

Certainly, on the British

Large potential abroad

ONCE OFF the relatively few all-weather arterial roads connecting major Soviet cities the vast spaces of the Soviet Union are still linked mainly by unmetalled tracks, full of potholes and ruts; in other words, ideal for-wheel territory. It was with this in mind that in the early 1970s, Soviet vehicle designers drew up plans for a new four-wheel-drive vehicle to supplement the tough and ubiquitous jeep-type four-wheel drive vehicles used by the armed forces and civilians alike.

The end result was the Lada Niva, which first rolled off the Togliatti production lines at the vast Fiat-designed automobile

have been limited by the non-availability of a right-hand drive version although Satra UK, the Lada and Niva distributors in the UK, expect a right-hand drive conversion to be made available this year. At present the standard left-hand drive version sells for £4,570 from the factory, a low price in the traditional Soviet marketing style typified by the pricing policy on its Fiat-derived Lada passenger cars.

The Lada is priced so competitively principally because it really is the only way to get what is essentially a modified 1960-style Italian car. The Niva is an original design but its spartan interior trim, small fuel tank and rather rough ride,

has been particularly marked and led Lada Cars of Canada to commission a feasibility study for the construction of a Niva assembly plant in Canada.

This would have to use from 50 to 60 per cent Canadian components in order to achieve duty-free status for the rest of the imported kits. The idea was also to produce Nivas for export to other markets, especially in Latin America. Lada Cars also had plans to export the Niva to the U.S. market.

All such schemes now look decidedly shaky however in view of the harsher East-West climate following the military clampdown in Poland and attempts to impose sanctions on the Soviet Union. This could hit

Comecon

ANTHONY ROBINSON

complex some 600 kms east of Moscow in 1978.

Since then the Niva, originally conceived as the ideal vehicle for collective farm managers, geological teams and other off-the-beaten-track users, has become a significant export success for Soviet industry. There is little doubt that if sufficient funds were available, production could be increased substantially to satisfy export and domestic demand.

In practice, however, there is little prospect of any real increase in Niva output for the foreseeable future as the current five-year plan (1981-85) has no provision for any new investment in increasing output of passenger vehicles. Instead the emphasis laid by this five-year plan, as indeed of its predecessor, is on increasing production of trucks and heavy vehicles and getting the most out of the massive Soviet investment in the Kama truck plant.

In some ways, therefore, the fate of the Niva is similar to that of the Land Rover until the big investment of recent years. That is to say, a successful vehicle whose sales potential is unlikely to be fully realised because of the physical inability to produce in the volumes required by markets world wide.

As it is the success of the Niva on world markets has already led to a higher proportion of exports than originally expected—there must be many a dissatisfied collective farm manager in the Soviet Union as a result. On the other hand the success of the Soviet motor industry in designing and producing a vehicle received so well on highly competitive Western markets is undoubtedly a feather in the cap for Soviet engineers.

The Soviet designers worked in close co-operation with specialists from the West German Porsche design team and the end product, a stubby vehicle perched high off the ground, is both rugged and, a big selling point, cheaper than its main rivals the Japanese Daihatsu and Subaru vehicles. It is also in an altogether different price range from the bigger Land Rovers, Range Rovers and their continental, American and Japanese equivalents.

Up to now sales in the UK



The Lada Niva: a significant export success for Soviet industry

coupled with the growing competition in this sector of the market, has reinforced the low selling price strategy of Lada cars as a whole. Despite the low price, the Niva has never really caught on in the UK. It is a different story on other markets however, notably Canada, whose climate is similar to that of large tracts of the Soviet Union and where users appreciate its good snow-riding qualities.

According to the Soviet news agency Novosti, the Togliatti plant produced 719,000 cars of all kinds last year of which 65,144 were Nivas. This is considerably above the earlier production targets which were in the 55,000 range and reflects Soviet efforts to boost production from existing facilities.

The best foreign markets for the Niva have proved to be West Germany, which is estimated to have bought about 9,000 Niva cars since imports began four years ago, and France, which buys around 3,000 annually. Switzerland is another healthy market, reflecting once again the good hill climbing and snow and ice road-holding characteristics of the vehicle.

Snow and ice are strangers to Panama, which is another major market having taken between 3,000 and 4,000 vehicles so far. Other Third World countries in Africa and Asia have also bought the Niva for use in rough terrain. Here their toughness is appreciated but the small (under 10 gallon) capacity of the Niva fuel tank has proved a problem in such countries where petrol stations are often few and far between and the willingness to share the cramped space with smelly spare petrol tanks is limited.

Third World markets, where Japanese competitors are also active, earn useful hard currency for the Niva. But up to now success in European and North American markets has been the most gratifying indication of the Niva's worth. The success of the Niva in Canada

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It can cruise across the roughest terrain comfortably, because of coil springs, a hydraulic steering damper to prevent jolts, and a body that's rubber mounted onto a rigid, ladder-frame chassis.

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Its anti-roll bar minimizes uncomfortable swaying in corners.

It has automatic transmission as standard with the petrol engine.

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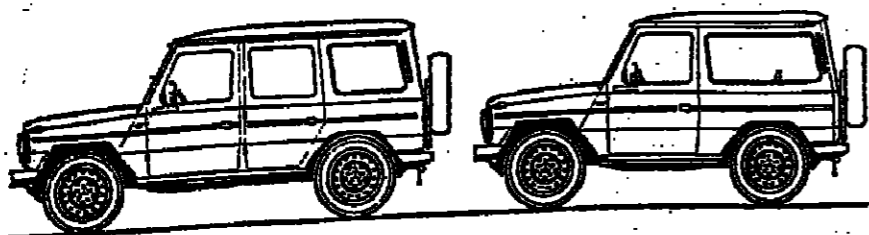
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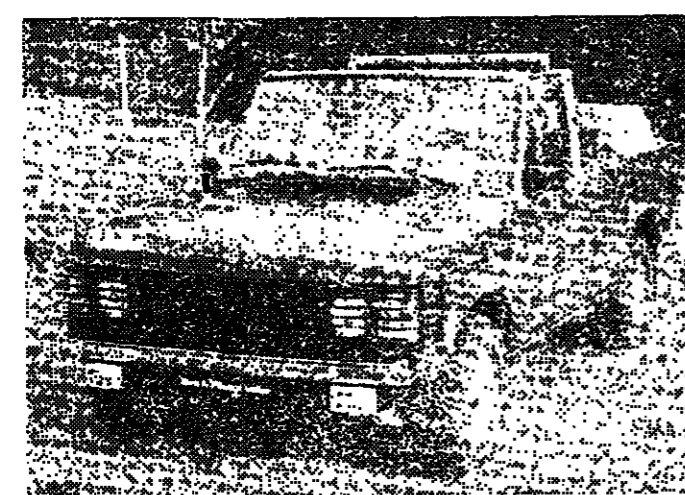
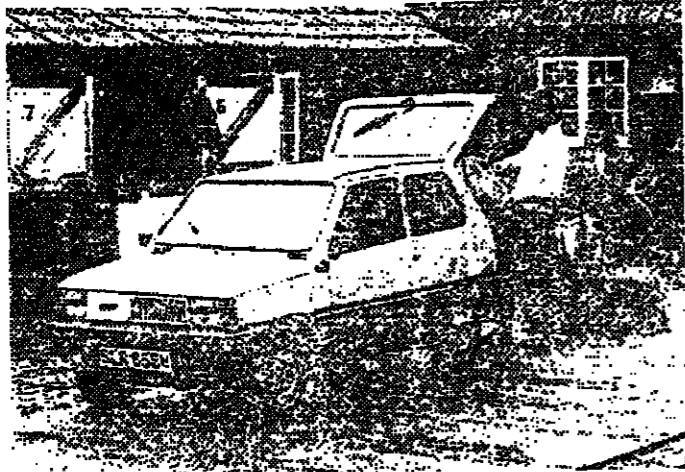
Mercedes-Benz



FOUR-WHEEL DRIVE VI

Stuart Marshall writes, first choose your vehicle—then learn how to drive it the expert's way

Choosing to take the rough with the smooth



FOUR-WHEEL drives cannot be all things to all users. Indeed, they may be divided into three main types. First, the rough, tough end of the market. The vehicles competing in it were all inspired by the World War II Jeep. They go almost anywhere and are essentially small, cross-country trucks with seats. They come into their own where roads end and trackless terrain begins. Long on mobility, they are short on creature comforts. Only a masochist would regularly use one on smooth tarmac in preference to a car. Examples are the short-wheelbase Land Rover, Daihatsu Fourtrak, Suzuki and the smallest kind of present-day Jeep.

Next, the more civilised relatives of the country boys just described. They are less likely to be strewn with straw or reeking of manure. Their seats are comfortable, the floor may be carpeted and they are suitable, if less than ideal, for long distance highway driving. Even so, they can take to the mud and mountains when needed.

Everything their uncouth forbears can do, they can do better—or at least, they can do it in greater comfort. The Range Rover, Toyota Land-Cruiser, Datsun Patrol and Daimler-Benz Geländewagen estate cars come to mind in this class.

The Lada Niva does, too, though not the estimable Subaru 4WD estate. Mostly, Subaru call their vehicle an all-road car, not an all-terrain vehicle. No road I have tried will defeat it, even though it may be steep and icy, or rutted and covered with inches of slime.

Finally, the vehicles that have four-wheel drive, not for climbing in and out of craters but for greater traction and handling safety on the road. The Audi Quattro, a 135 mph supercar that gives its best to drivers of modest skill, is the sole representative of this type at the moment. It won't be for long. All the signs of an explosion of interest in smaller and cheaper road-going four-wheel-drive cars can be detected.

I have driven every kind of 4x4 I could lay hands on since the 1950s, though I have never tried an original wartime Jeep. The first vehicle to show me that four driven wheels are incomparably better than two on rough and slippery ground was an early Mk. I Land Rover. I read the instructions found out what the knobs were for and considered I then knew how to drive it across country.

Years later, when shown by one of Land Rover's experts,

I realised I had been getting it all wrong. Even so, my old Land Rover rarely got stuck and nothing broke that I couldn't put right myself. I finally sold it at a profit to a Warren Street dealer and have had a warm regard for Land Rovers ever since.

Many of these veterans, with their non-rusting aluminium bodies and massive chassis, are still at work. The six-cylinder long wheelbase, recently superseded by the V8 Land Rover, was good on and off the road. The V8 is better. I once drove a forward-control Land Rover, a much larger version used mainly by the army, round Goodwood race circuit. I was not encouraged to hang the tail out on corners for its handling might kindly be called unruly.

The Range Rover is a different proposition. With its combination of fairly soft suspension and permanently engaged four-wheel drive, plus a centre differential to avoid transmission wind-up on hard roads, it can be used like an overground sports car.

At its press launch in 1970, we were urged to drive them harder and harder on an old airfield. "You won't turn them over," said Rover's then managing director, and no one did, though one went on two wheels for a bit when it slid on grass and hit a runway edge side on. The Range Rover, then less than £2,000 in the showroom, is still the best all-round light 4x4 in the world, though formidably expensive. It has become positively luxurious over the years, but despite its velour throne and fitted carpets, it is as good as ever when up to its hubs in glaucy mud.

There is a lot of development left in the Range Rover, an automatic, converted to Ferguson system four-wheel drive and fitted with a Chrysler Torque-Flite transmission by Schuler Presses of Sunninghill, was completely silent mechanically and felt like the offspring of a Ferrari. (The suspension had been modified and the tyres were Michelin XWX.) I thought it was as the Range Rover could be in a few years' time, though there won't be a long wait for a production line automatic.

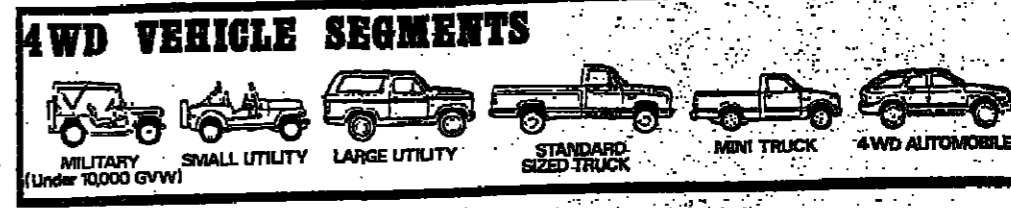
A diesel Range-Rover is also coming, but is still a long way off.

Diesels suit on-off road four-by-fours. The small Daihatsu can be had with a 1.6 litre petrol engine or a 2.6 litre diesel. The diesel is better in every way—noise excepted—and I obtained 35 mpg on a 450-mile day trip. Toyota's latest Land-Cruiser,

with a 4-litre, 6-cylinder diesel, is as nice a vehicle as the former 4.2 litre petrol-engined one was nasty. Even if cruised at motorway speeds, this massively roomy though long-legged estate car will return about 25 mpg. And the Daimler-Benz G-car (the Geländewagen) sustains 90 mph all day long on its 3-litre, 5-cylinder diesel at around 22 mpg. The 2.3 litre petrol automatic is faster, but much thirstier.

Off-road, the G-car has the advantage of lockable differentials. With a conventional 4x4, if you have the nearside wheels on concrete and the offside ones in a deep and slithery rut, you may stick. The differential gears allow the wheels on the least grippy surface to spin. But lock the differentials—as you can in the G-car and could in the tiny Austrian Haflinger—and you will move even if only one wheel can find something to bite on.

When Land Rovers were on two-year delivery, Eastern European four-wheel drives enjoyed some popularity here. I tried the Arco, a Romanian, and thought it disagreeably coarse though it



There are three main types of four-by-four vehicles: the small cross-country trucks with seats; their carpeted, comfortable relatives; and the saloon car that gives safer handling on the road

went over a tank testing ground well enough. The Tudor, a sort of four-wheel drive bread van, was rougher still, though a capable performer on evil terrain. The Niva, an ingenious cobbling together of Lada car parts and a permanently four-wheel driven chassis, needs a bigger engine and could do with a few inches more interior space, but there is nothing wrong with its cross-country performance.

Smallest and cheapest 4x4 at the moment is the Suzuki. It looks like a toy (especially alongside one of the more bloated Jeep station wagons), but amused me by doing most of the things a Land Rover

will do except pull a trailer loaded with heavy hunters.

The Jeep moved far away from its original concept. Even in the U.S. its sales have been decimated by rising fuel prices. It will pull anything but its cross-country capability is not in the Land Rover/Range Rover class, the ride is poor, the steering vague and fuel consumption acceptable only if you have an oil well of your very own.

The GM Jimmy (a badge engineered Chevrolet Blazer) I tried in the States last year was not quite as bulky as the big Jeep wagons but, I thought, over-large for the British countryside. With a 6-litre V8 it had plenty of

muscle.

Datsun's recently introduced Patrol is exceptional value. The petrol-engined 2.8-litre estate I have just had was fitted with three rows of seats (ideal for the school run), held a quiet 70 mph on the motorway and returned 20 mpg. Perhaps closer to concept to a U.S. 4x4 than a Range Rover or Geländewagen, it was not wide enough to be cumbersome, and the ride comfort was not at all bad. An ideal vehicle, really, for people who now spend as much on a large estate car which embarrasses them by getting stuck as they leave the gymkhana with the children's ponies in tow.

PRICE GUIDE

The following four-wheel-drive vehicles are generally available in the UK. In addition, some U.S.-made light 4 x 4s may be obtained to special order. The prices are for the cheapest version of a particular model.

Audi Quattro	£15,037	Mercedes Benz Geländewagen 280GE petrol short wheelbase	£13,910
Daihatsu short wheelbase: petrol	£5,721	280GE petrol long wheelbase	£14,650
diesel	£6,383	300GD diesel short wheelbase	£13,650
Datsun Patrol short wheelbase, hard top: petrol	£7,987	300GD diesel long wheelbase	£14,300
diesel	£8,756	Portaro Pampas diesel	£8,439
long wheelbase estate: petrol	£8,994	Range Rover two door	£12,670
diesel	£9,747	four door	£14,260
Jeep: Laredo	£8,499	Subaru pick-up	£4,485
Cherokee station wagon	£9,454	estate car	£5,980
Lada Niva	£4,570	Suzuki	£3,799
Land Rover: short wheelbase, pet	£8,465	Toyota Land Cruiser (diesel) station wagon	£11,193
long wheelbase V8 pick-up	£8,240	Hi-Lux pick up (petrol)	£5,560

How to handle a four-by-four — ignorance can be costly

GETTING THE most out of a 4 x 4 across rough country involves much more than squashing a Wellington boot on the accelerator and hoping for the best. Given the right techniques, a Land Rover or Range Rover, Daihatsu or Daimler-Benz Geländewagen — to name but four — achieve miracles of mobility. Wrongly treated they will get stuck, break down or both.

The correct method of driving one has as much — perhaps more — to do with riding a horse as with operating a machine. You choose the correct line, approach an obstacle with caution, urge your mount over and then collect it again in case an even worse hazard follows. In essence, all popular four-wheel drives are much the same. They have two gearboxes. One, used like that in a normal car, is for multiplying engine torque for acceleration and hill climbing. The other allows the main gearbox to be used in two ranges — a high one for the road, a low one for severe off-road conditions.

Some four-wheel drives (the Land Rover, Toyota Land-Cruiser and Datsun Patrol for example) are normally used on the road with rear-wheel drive only. Others — the Range Rover and Lada Niva are typical — are in permanent four-wheel drive. Two- or four-wheel drive machines may be used with rear-wheel drive only in high

range but either high or low may be employed in four-wheel drive. As a refinement, free-wheeling front hubs save wear and tear, fuel and noise by stopping the front axle transmission from revolving at all when a vehicle like the Land Rover is in rear drive only. Many of the imported 4 x 4 have these hubs as standard; for a Land Rover, The Fairley company supplies them as approved accessories. Although it all sounds rather complicated, driving over rough terrain is perfectly straightforward providing the concept of a four-wheel-drive vehicle is understood. Many owners have little idea what their car achieve because they have never learned to drive them properly.

Take the Land Rover, for example. There are about 200,000 of them in use in Britain alone. Cynics on Land Rover's staff reckon about one owner in 10 really knows how to drive one. Most are aware that, on the road, the red knobbed transfer gearbox lever stays forward so that only the back wheels are driven. If four-wheel drive, high range, is needed say on snow, a yellow plunger is depressed. And for low-range four-wheel drive, the red knobbed lever is pulled back. Then the Land Rover will climb slopes like the roof of a house, plough through mud troughs and tackle terrain on which fox-hunter might prefer not to

risk a valuable horse. Even these basic truths are not always understood. Land Rover tell a horror story of a veteran employee of a public utility company who was issued with a new vehicle. He assured the salesman that he knew all about driving it and pointed to the red knobbed high/low gearbox lever. "I always pull that back in October, and leave it there until April . . . it gives you better grip on icy roads," he said.

And of course it would. But it would also limit top speed to 35 mph, raise the noise level, and fuel consumption to unacceptable heights; strain the transmission and wear out the tyres. That is why machines with permanent four-wheel drive have a third differential. It gets rid of the stresses caused by the extra revolutions the front wheels make when compared with the back wheels when a vehicle is turning a corner.

On really rough terrain the off-road driver has to forget all about normal motoring techniques. In low range, second gear is often better for climbing steep, slippery slopes than first, which would cause excessive wheel-spin. But for descending acute gradients, you choose first and under no circumstances touch the brake pedal. The engine's compression, spread equally to all four wheels through the transmission, safely holds

your speed down. It is the same when climbing. Should you stall the engine on an exceptionally steep slope — and even Land Rover's expert demonstrators do now and again — you bang in reverse gear instantly. The Land Rover (or any similar 4x4) will hang against compression. You sort out the best way to back down the hill and, with reverse still engaged, flip the starting key without declutching. The engine fires up and, at idling speed, literally winds you down the slope slowly and under full control.

The expert 4x4 driver coaxes his machine through hazards in the right gear, always with minimum engine revs and never with his thumbs hooked over the steering wheel rim — they can be dislocated, even broken, if a front wheel drops into a deep rut and the steering wheel suddenly jerks round.

He never plunges into water too quickly: "it may be deeper than you think and even if its fordable, the bow wave made by too high a speed could push the radiator back into the fan." And the expert is never afraid of getting out of the vehicle and having a look at what lies over a hill before he drives up it. More than one Land Rover driver has found to his cost that the slope he was storming up led to a vertical drop into a quarry.

It can take you anywhere.



The Daihatsu Fourtrak comes with a choice of rugged 1.6 litre petrol or 2.5 litre diesel powerplants.

With a high/low ratio gearbox and four wheel drive, you'll have enough guts and traction to get through the toughest terrain.

And the Fourtrak has got what it takes to do it safely.

It's got a sturdy ladder-type steel chassis that clears the ground by a minimum of 9", even under full load.

It's got a built-in roll bar for extra strength.

It's got well proven semi-elliptic leaf spring suspension.

And to beat all, the Fourtrak is so well built it's also got a 'Protector' anti-rust warranty lasting for eight gruelling years.

That's longer than any other manufacturer's rust warranty.

And with smart hard top or soft top options, the Daihatsu Fourtrak looks just as good on the road as off.

It has a level of interior luxury to rival a family saloon.

The Short Wheelbase has full fabric reclining seats with headrests, and door-to-door carpet. Or you can have the more practical vinyl seats and floor covering if you want.

Also the two wheel drive facility, free-wheeling front hubs and efficient sound insulation means you get quiet, economical motoring at normal driving speeds.

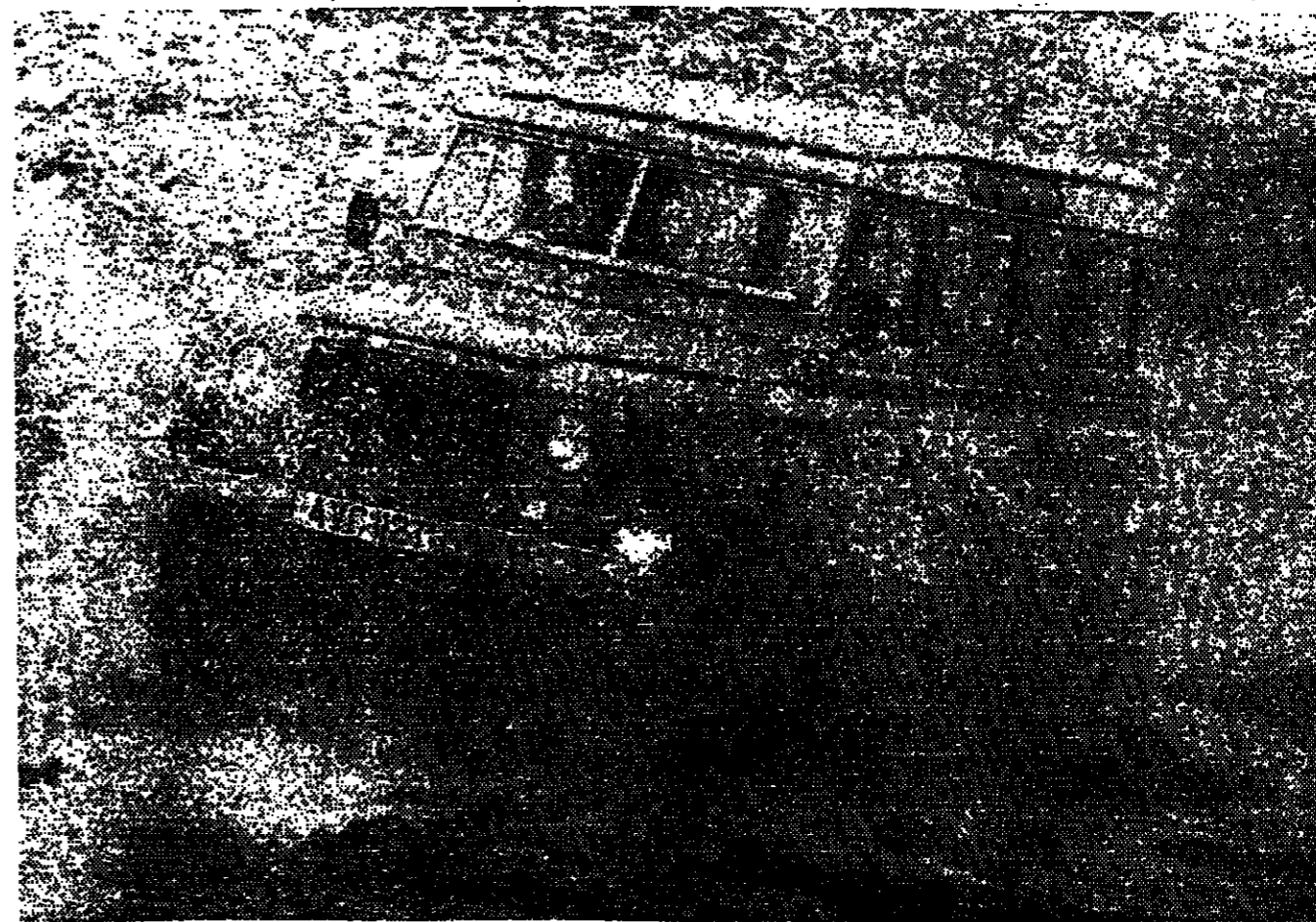
So the Daihatsu Fourtrak is more than just a reliable workhorse.

It's quite a showhorse as well.



Subject to the terms of the Protector Warranty. DAIHATSU (UK) Ltd, PO, Box 5, Poulton Close, Dover, CT17 0LZ. Tel: 0504 215500. Telex: 96478.

You can take it anywhere.



A Land Rover V8 station wagon—cynics on Land Rover's staff reckon about one owner in 10 really knows how to drive one

TECHNOLOGY

Smaller companies take the risk with special lasers

BY GEOFFREY CHARLISH

YOU MIGHT think the laser, with its high technology overtones, would be an economic proposition only in big companies with big budgets. Far from it, according to speakers at a recent London conference on the application of these devices in manufacturing, mounted by IFS Conferences of Bedford.

"solid" images of holography that might well form the basis of tomorrow's television. At the more mundane levels of manufacturing however, the laser, invented 20 years ago in the U.S. and a scientific novelty for the first ten, is now being used increasingly in three key areas—cutting, welding and surface treatment—and not just as a novelty but as a tool, employed just like any other tool.

Cost effective

W. M. Steen, an Imperial College consultant, reiterated the features of the laser that can make it cost effective in, for example, cutting, when up to about 5,000 components have to be made. Clean, smooth-edged cuts are produced, there are no shapes that cannot be tackled, there are no tools to be replaced or sharpened, the beam can be directed at various work stations from a remote laser, allowing time sharing, and the same laser can be used for welding and surface heat treatment.

By cutting about 5,000 components, Steen believes a punch press would normally be more cost effective. A machine from Trumpf for example, allows both to be used. Dr Steen and several other contributors to the conference suggested that the ultimate future of the technology lay in the multi-station facility with advanced computer control.

With specific cutting and welding programs held in electronic store, the change from one component type to the next would be quick and easy and it seems likely that robotics handling will be employed as well, giving great flexibility in the manufacture of products from sheet metal. The advantages of welding by laser were emphasised by Mr R. C. Eason of Expert Heat Treatments, principally that narrow, deep penetration welds can be achieved with very low thermal distortion, there being no need for filler material and no contamination from electrodes or flames.

However, the fit-up of the parts has to be good and Eason emphasised that it usually pays off to design components with laser welding in mind. Laser welding is getting faster, too. It is already able to cut strip inert gas and plasma welding techniques according to Dr Steen, although there are penetration limitations. Two millimetre mild steel for example, can be welded at 40 mm/sec using 2 kW.

Power density

Developments are aimed at deeper and faster welds, the restraint lying in the fact that the hot vapour plasma produced absorbs and reflects the beam. The Welding Institute for example, has developed a plasma disruption jet to control the plasma while at Imperial College welding speed has been



This is one of the stations in a twin workstation CNC controlled laser welding machine designed by Control Laser of Daventry for the car components industry. It is possible to switch the beam by mirrors to a number of remote workstations on a time sharing basis

doubled by making use of the plasma to conduct an electrical arc into the weld zone. By controlling the power density applied to a surface, for example by defocusing the spot or by scanning it in a raster pattern, selected areas can be hardened. Typically, a 10 mm track can be transformed into hardened to a depth of 0.75 mm at a speed of 5 mm/sec. It is also possible to apply special claddings to surfaces in the same way—a layer of cladding powder is pre-laid and then scanned. Thus, bearing surfaces or corrosion-resistant

areas can be selectively applied. Lasers are still not widely used in mass production, but one of the more notable examples was described by Mr R. F. Weston of Thorn Lighting. The problem had been to weld satisfactorily two small parts inside the company's H4 halogen car lamp. Electron beam, plasma jet, friction and electric discharge were all tried, but in the end a YAG solid-state pulsed laser proved the best. The system, now incorporated into a 48-head rotary indexing production machine making 2,000 lamps/hour, uses a pair

of 20-joule beams for two welds that secure the shield to the frame. A 40 joule laser is used with a simple beam splitter. The unit came from J. K. Lasers, whose Dr T. M. Weedon indicated clearly enough the way things are moving. He said that over the last decade the production throughput of laser manufacturing systems had increased by a factor of 30 for an increase in cost of twice only. At the same time the reliability of such equipment had improved, while operating costs had fallen by a factor of between 10 and 20.

Light pulses

Over the years some extra ordinary specialist applications have appeared. They range from massive devices at nuclear research centres such as Culham and Lawrence Livermore Laboratories, where pulses of light in the terawatt (a million million watts) region are compressing materials for fusion experiments, to hair-like glass fibres carrying tiny pulses to repair brain tissue. Other teams are trying to shoot down spacecraft, while others are working on the

Cambridge computer-aided system

THE LATEST computer aided design system from Applied Research of Cambridge, the CDS3, has a full non-graphic database so that parts listings, costings and schedules can be added to the graphical data. Users of this system are able to attach non-graphical data to any drawing, object or groups of objects. Thus, lists of properties can be recalled in coherent tabulations associated with every level of drawing.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with columns for Year, Index, and Value. Rows include 1981 (1st qtr to Dec) and 1982 (Jan, Feb).

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with columns for Year, Consumer goods, Investment goods, Intermediate goods, Metal manufacture, Textiles, Leather and clothing, Housing starts.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

Table with columns for Year, Export volume, Import volume, Visible balance, Current balance, Terms of trade, Exchange reserves.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, net credit; all seasonally adjusted. Minimum lending rate (end period).

Table with columns for Year, M1, M3, Bank advances, DCE, BS, HP, MLR, Inflow, lending.

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (1975=100).

Table with columns for Year, Earnings, Basic materials, Wholesale, RPI, Foods, Commodity, FT.

Hovercraft and track for frontier work

BY ROBERT GIBBENS in Montreal

AN OFFROAD vehicle combining the hovercraft principle and conventional track propulsion is being developed to the prototype stage by the SNC group, Montreal, one of Canada's largest engineering groups, and Bombardier Inc., of Montreal, the heavy transportation products group. It is based on a concept of the Transportation Development Centre, Montreal, a research arm of the Federal Department of Transport.

The joint venture aims at building a prototype in 1984 for testing in actual operating conditions in north-western Quebec and elsewhere, said Mr Pierre Alespin, SNC transportation department manager. The vehicle concept is an outgrowth from previous testing of hovercraft vehicles in Canada's north and in Quebec.

Emergency roles

It could climb 30 per cent gradients and has an amphibian capability. Several governments have expressed interest in the concept for emergency roles at airports. The Aerobac AB-7 prototype would weigh 21 metric tonnes, including a seven-tonne payload. It could travel over rough trails at 30 kph, against 5 kph for conventional tracked vehicles. It could cross lakes and streams at sloop speeds.

Evaluation of plastic mouldings

EDITED BY ALAN CANE

ACCORDING TO THE Production Engineering Research Association (PERA), high-performance mouldings from hot compression-formed thermoplastic sheet are replacing steel and aluminium components in a variety of applications, often with significant financial savings.

PERA says that large, thick-section components can be produced in much shorter cycle times than by injection moulding and there is less likely to be distortion on mould ejection. The Association has evaluated polypropylene, polycarbonate, PVC, ABS, and glass fibre-filled polypropylene and all have produced high-quality components with good surface finish.

However, there seems to be room for improvement in the ways in which materials of different grades and thicknesses are prepared, heated and loaded into moulding tools and so a new study involving collaboration of industrial companies is being undertaken. A number of operations including automatic cropping and weighing of blanks, multistage pre-heating and automatic blank loading will be studied.

Companies interested in taking part in this project should contact the manager of the materials forming and treatment department, PERA, Melton, Kibworth, Leics. (0664 84183.)

Contract Research & Development-Contact IRD

International Research & Development Co Ltd Fossway, Newcastle upon Tyne NE6 2YD

Software designed for various polymers

SOFTWARE FOR stereo-exclusion chromatography of polymers has been introduced by Varian Associates Inc, 1480 Hansen Way, Palo Alto, California. For use with the Apple II Plus-Vista 401 chromatography data-system combination, the software is intended for characterisations, formulations and comparisons of various polymers, with fully-automated on-line calibrations and analyses performed to either narrow or broad molecular weight distribution standards. The system works with Varian's 5000 Series HPLC instruments and three types of column for organic-solvent soluble, polymers aqueous-soluble, high-polymeric and water-soluble synthetic polymers, respectively, enabling a wide range of polymer analyses to be carried out quickly and accurately. Further details are obtainable from Varian AG, Steinhilberstrasse, Zug/Switzerland, or Varian Associates Ltd, 24-28 Manor Road, Walton-on-Thames, Surrey.

Cathode ray Mullard tube

A NEW cathode ray tube from Mullard has a resolution corresponding to 3,000 television lines (about five times that of standard television pictures) and is able to display about 4m pixels on its 15-inch screen. This is equivalent to A4 size sheet, says the company, when the tube is used in the vertical format. The high resolution, which is maintained to the extreme edges of the display, is achieved by using a specially designed electron gun in combination with a matched deflection coil. Distortion, deflection defocusing and faster punch-on effects in the tube/coil combination are negligible, says Mullard. More on 01-580 6633.

COMPANY NOTICES

Multiple notices including HARMONY GOLD MINING COMPANY LIMITED, SWISS BANK CORPORATION, DIVIDEND DECLARATION, RHONE-POULENC 7.50% 1972/1987, and TDK ELECTRONICS CO. LTD.

LEGAL NOTICE

Legal notices including BANQUE DE CREDIT INTERNATIONAL, EN LIQUIDATION CONCORDAIRE, and INTERNATIONAL CREDIT BANK.

FINANCIAL TIMES

Financial Times publication details including head office, international and British editorial & advertisement offices, and public notices.

Large advertisement for WEST MIDLANDS ENTERPRISE BOARD LTD, featuring the text 'DEVELOPMENT CAPITAL FOR WEST MIDLANDS INDUSTRY' and details about investment opportunities.

Companies and Markets

WORLD STOCK MARKETS

Dow regains 4.4 more by 1pm

IN A continuation of Tuesday's late sharp rally, Wall Street stocks were inclined to move higher in reduced but still substantial trading yesterday morning.

Analysts said the upturn was mostly a technical rebound from recent falls, but noted that investors were also optimistic that U.S. interest rates may be coming down.

The Dow Jones Industrial Average, which recovered 3.77 on Tuesday after setting a 32-month closing low on Monday, had yesterday regained 4.38 more to 805.22 by 1 pm. The NYSE All Common Index recouped a further 35 cents to 865.28, while the Dow Jones Industrial Average had a seven-to-five margin. Turnover decreased to 41,848,848 shares from the previous day's 1 pm level of 53,556.

Ryder System rose 1 1/2 to 825 after a delayed opening due to an order imbalance. The company, which met with analysts on Tuesday, received a new buy recommendation from Goldman Sachs and said it plans to buy a contract trucking company.

Pennington fell 1 1/2 to 57 1/2. The company said it will reopen its largest copper and molybdenum mine—which had been closed since December 14 to cut inventories—at a reduced production rate, while two other mines will stay closed. It also offered 875m in Western Union gained 1 1/2 to 52 1/2. The company said it has entered the mobile telephone market.

RCA was up 1 1/2 to 82 1/2 and Bendix regained 1 1/2 to 83 1/2. Bendix, which recently bought a stake in RCA, might be considering a take-over bid. The AMERICAN SE Market Value Index rose 3.73 to 243.13, with Volume 3,200 shares (4,56m).

Markets tended to improve in a fair turnover early yesterday. Closing Prices for North America were not available for this edition.

Y613 and Kawasaki Heavy Y7 to Y18. Prospects of further recovery in the market varied from one stock analyst to another, because of the unstable yen-dollar rate and U.S. interest rates and also uncertainty over Wall Street activity.

Local influences, including Prime Minister Malcolm Fraser's gloomy economic forecast and interest rates concern, sent markets broadly lower yesterday, outweighing generally encouraging factors as the overnight Wall Street rebounded sharply to 811.7.

There was also concern that the UK Budget was sufficiently encouraging to business that London money would mainly stay at home with little finding its way into Australian markets.

The All Ordinaries index dipped 5.0 more to 458.5. A fresh low point for the index since its compilation at the beginning of 1930. The Oil and Gas sub-group index weakened 13.2 to 370.2. Metals and Minerals 8.1 to 327.4 and All Industries 8.1 to 327.4.

There was also concern that the UK Budget was sufficiently encouraging to business that London money would mainly stay at home with little finding its way into Australian markets.

Gold shares staged a good rally in the overnight Bullion rally in London. New York Vaul Repts recovered R4 to R36. De Beers, which fell 1.81 last previous day on 1931 results, lost 15 cents more to R45.5.

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Companies and Markets

U.S. may lift French barley duty

WASHINGTON — The U.S. International Trade Commission (ITC) decided by a four-to-one vote that domestic producers would be harmed if the Commerce Department decided to end an order which imposes duties on imports of barley from France.

The commission had undertaken a review of an existing duty order at the Commerce Department's request. The department was reviewing the countervailing duty and will decide soon whether to revoke it.

The U.S. has imported no barley from France since 1970 so the existing duty is unnecessary, the commission noted.

Meanwhile, U.S. Agriculture Secretary John Block said increased exports of subsidized wheat by the EEC cost U.S. farmers 50 cents a bushel on their wheat crops last year. These losses equated to a reduction in net U.S. farm income of \$1.7bn, Mr Block told the House agriculture committee.

Mr Block said unless the Soviet Union took extreme steps, contracts for grain sales to the USSR would be honoured in the future.

He was answering questions from farm state congressmen concerned that grain exporters may be reluctant to enter sales pacts with the USSR because of the uncertainty over the Administration's policy toward the Soviet Union.

U.S. trade representative Bill Brock who also testified at the hearing, disputed the idea that the Administration has already imposed a de facto embargo on grain sales to the USSR.

In Buenos Aires the Soviet Union is reported to have bought about 700,000 tonnes of maize, 300,000 tonnes of sorghum and 100,000 tonnes of soybeans in Argentina recently.

These latest purchases would bring Soviet maize buying to about 4m tonnes, compared with the 3m tonnes Argentina is committed to supply each year under a bilateral agreement in force.

Argentine grain exporters are believed to be preparing to offer credit to a Soviet trade team arriving soon to ensure smooth sales of the remaining maize and sorghum.

The Soviet Union is said to be asking for six-months credit but grain exporters may not be able to offer such a long term for payment.

Tin under more selling pressure

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES came under renewed pressure on the London Metal Exchange yesterday following heavy selling, reported to be on behalf of the group which previously pushed values to record levels. Cash tin closed at \$75 down to \$6,850 a tonne—its lowest point since mid-July when the group, believed to be acting on behalf of producers, started its support buying programme that took cash tin to a peak of nearly \$9,000 only a month ago.

As expected the London Metal Exchange formally removed yesterday the maximum backwardation limit of £120 a tonne on cash tin imposed last month when it was feared that some dealers might not be able to honour their sales commitments as a result of the group holding the bulk of available supplies.

No write gross prices apparently selling strongly, especially three months tin which fell by £180 yesterday to \$5,945 a tonne. At one stage last month cash tin was at a premium of over £1,000, yesterday it was down to under £100. The narrowing of the gap between cash and three months tin has made some traders wonder whether the group is

Rubber buffer stock plan opposed

BY OUR COMMODITIES STAFF

THE U.S. and the EEC have objected to the International Rubber Organisation (INRO) buffer stock manager being allowed to buy futures contracts as part of his price support strategy.

In response to unconfirmed reports that this had happened, delegations from the U.S. and the Common Market at the special INRO council session in Kuala Lumpur placed on record their view that there should be no buying of paper contracts under the auspices of the International Rubber Agreement, council officials reported here yesterday.

Their objection was recorded in the meeting's final communiqué but since there was no definition of "paper buying"

Russia may buy more sugar soon

By Our Commodities Staff

FRENCH SUGAR traders expect the Soviet Union to return to the world market for new supplies mostly of whites, over the next few weeks.

The French Sugar Market Intervention and Regularisation Fund (FIRS) said in its latest monthly bulletin that the USSR had bought about 3m tonnes of sugar since last October. Most of the purchases took place in three separate periods in October, mid-December and end-January/early February, it added. A fourth tranche of buying was possible during the next few weeks, FIRS said.

French trade estimates of likely Russian buying vary between 100,000 and 300,000 tonnes. In contrast to earlier purchases, most of this is expected to take the form of white sugar.

Domestic USSR production this year is expected to cover only about 50 per cent of Soviet sugar needs. A large proportion of the estimated 6.5m to 6.8m mt will need to be imported from Cuba and Brazil to 3.5m mt still likely to be required from the world market, FIRS said.

At its regular weekly meeting yesterday the EEC Commission granted export licences covering 43,500 tonnes of white sugar with a maximum export rebate of 24.77 European currency units per 100 kilos. The result was in line with market forecasts and had no impact on prices.

The London daily sugar price was unchanged at \$149 a tonne, only £1 above the 25-month low reached last November.

EEC FARM POLICY STUDY

CAP missing its targets

BY JOHN LYLES, COMMON MARKET CORRESPONDENT

THOSE WHOSE favourite pastime is bashing the Common Agricultural Policy for its production surpluses may be missing the target. The surpluses, which are everyone's Aunt Sally, appear to be symptoms of a far more serious weakness—the CAP's growing inability to generate a fair standard of living for the majority of the Community's farmers and employees.

A "fair standard" was the objective set by the Treaty of Rome. But in a study growing with political and economic implications, the European Commission has found that at the end of last year real farm incomes in all member states apart from Italy, the Netherlands and Belgium were either at or below their 1974 levels. In Germany, they were only 78 per cent, France 78 per cent and the UK 78.4 per cent of 1974 levels.

Thus the study demonstrates that the CAP, which the majority of EEC Governments have stubbornly defended during the last six months, is falling in its basic objectives. It also implies that the differences in inflation between member states—ranging from Germany's 4.5 per cent to Ireland and Greece at 20 per cent plus—may well be the CAP's serious gap.

These are not, it should be stressed, conclusions which the Commission goes out of its way to drive home. Indeed, its study was supposed to arrive at somewhat different conclusions. The Italian government which, with the support of Ireland, requested it had expected a report demonstrating that farmers in countries labouring under higher-than-average inflation rates were suffering par-

CAP missing its targets

BY JOHN LYLES, COMMON MARKET CORRESPONDENT

higher growth in producer prices than of input costs—in other words, steadily rising incomes. In 1980 and 1981 the price cost ratio deteriorated but none the less net value added per agricultural unit at the end of last year was 103 per cent of the 1974 level in real terms.

How was this achieved, in view of the fact that average EEC common price rises have been much higher than the 16.9 per cent average Italian inflation rate between 1973 and 1981? Answer: by repeated devaluations of the "green" lira which is the rate at which common EEC prices are translated into local currency. The result of these devaluations is an average annual increase in support prices in Italy of 17.9 per cent.

The switch to the ECU came with the creation of the EMS in March 1979. Previously, the value of the agricultural unit of account and thus of "green" rates was linked to value of the "hard" currencies belonging to semi-fixed exchange rate regimes known as snake-in-the-hole currencies—Germany, the Benelux and Denmark. Since most other EEC currencies tended to depreciate against the snake they enjoyed regular opportunities to devalue their green currencies

and thus add to the local value of EEC price rises. For example, 75 per cent of Italy's total increase in common prices, expressed in the national currency, since 1974 has come through green rate devaluations. The comparable figure for Ireland is 58 per cent and for France 50 per cent and 40 per cent for the UK. Since 1979, however, the scope for "add on" price rises through devaluation has been more limited. One reason is that the ECU is more neutral and stable than the old unit of account because it is based on a weighted basket of currencies. The other is that actual currency rates have tended to be more stable thanks to the obligations of EMS membership.

The implications of the study for most interested countries are most interesting—those countries such as Germany, France and the UK, which have battled virtuously to keep their inflation rates down, have suffered worst. In Germany's case this is partly because of repeated revaluations of its green currency (because of the strong D-Mark) which have wiped 36 per cent off the value of EEC support prices. The UK and France have either chosen not to, or have been unable to, devalue their green currencies. Clearly, those countries with inflation rates at or below the EEC average—Denmark, Germany, the Netherlands, Belgium and the UK—will not want to add to their domestic price difficulties by agreeing to price rises this year or next significantly above the average.

Consumers accused Brussels over food

BY OUR COMMODITIES STAFF

THE EEC Commission was yesterday accused of displaying a lack of political courage in backing down from its June 1981 mandate proposals for a cut in real food prices.

In its 1980-81 report, published yesterday, the Consumers and Community Group said the mandate proposals had raised hopes that the EEC had at last recognised the need to bring price levels down. "But since then," said the CCG, "the Commission has backtracked in a way that smacks of a lack of political courage." It noted that farm price support rises proposed by the Commission in February include 9 per cent increases for "grossly overproducing" sugar and dairy regimes.

Peru to resume anchovy fishing

LIMA—The Peruvian Government authorised resumption of anchovy fishing off the southern coast due to indications of abundant fish, an order published in the official state bulletin said.

The government banned anchovy fishing completely in 1979 after stocks were virtually exhausted. This has since been restricted to the far south coast to Chile. Last year's anchovy catch totalled 1.2m tonnes compared with 720,000 tonnes

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal type (Tin, Copper, Lead, Zinc), grade, and price per tonne. Includes sub-sections for Tin, Copper, Lead, and Zinc.

NICKEL

Table for Nickel prices, including spot and three-month contracts, and a section for Gas Oil Futures.

SOYBEAN MEAL

Table for Soybean Meal prices, including spot and three-month contracts, and a section for Sugar.

AMERICAN MARKETS

PRICE CHANGES

Large table showing price changes for various commodities like Wheat, Corn, Soybeans, and other grains, with columns for date, price, and change.

COPPER

Table for Copper prices, including spot and three-month contracts.

SILVER

Table for Silver prices, including spot and three-month contracts.

SUGAR

Table for Sugar prices, including spot and three-month contracts.

Tuesday's closing prices

Table showing closing prices for various commodities on Tuesday.

C.C.S.T. takes more care of you. Advertisement for C.C.S.T. Commodities Ltd. with contact information and a list of services.

COCOA

Table for Cocoa prices, including spot and three-month contracts.

POTATOES

Table for Potato prices, including spot and three-month contracts.

EUROPEAN MARKETS

Table showing European market prices for various commodities.

COFFEE

Table for Coffee prices, including spot and three-month contracts.

MEAT/VEGETABLES

Table for Meat and Vegetable prices, including various cuts and types.

INDICES

Table showing financial indices like Dow Jones and FTSE 100.

Krugerrands Sovereigns. Advertisement for Krugerrands Sovereigns, including contact information and details about the product.

Wool Futures. Advertisement for Wool Futures, including contact information and details about the market.

Meat/Vegetables. Advertisement for Meat and Vegetables, including contact information and details about the market.

Moody's and Reuters. Advertisement for Moody's and Reuters, including contact information and details about the services.

Companies and Markets

LONDON STOCK EXCHANGE

Spectacular Gilt gains in hectic trading contrast with lethargic equity market response to Budget

Account Dealing Dates
Option
*First Declared Last Account
Dealings tons Dealings Day
Mar 1 Mar 12 Mar 22
Mar 15 Mar 25 Mar 26 Apr 5
Mar 29 Apr 15 Apr 16 Apr 26

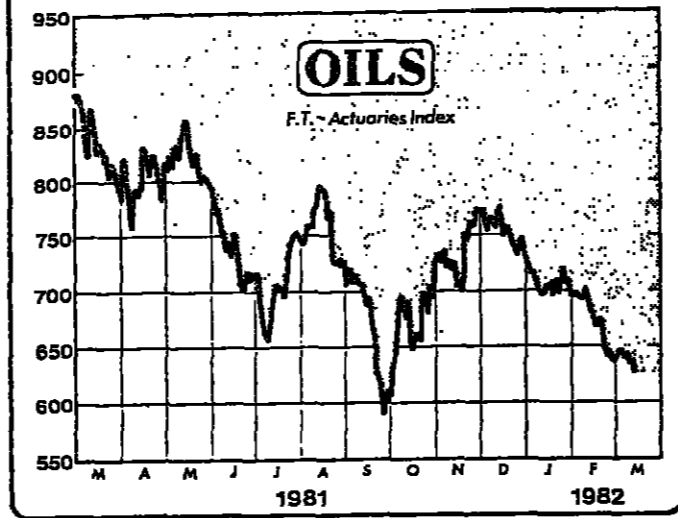
sumed the tone was a shade
softer. Reflecting their
diminished attractions to high-tax
payers, low-coupon Gilts would
be badly, some by 21 points, before
steadily to end around 11 points
down on balance.

Discount Houses hardened in
places in sympathy with Gilts.
Alexanders put on 7 to 22 1/2p and
Cater Allen improved 10 to 32 1/2p.

sharp contrast, D-I-Y issues drew
strength from the proposals to
allocate £90m more to home im-
provement grants. Harris Queens-
way featured with a rise of 8 at
138p, while Home Charm, 152p,

49p before closing 8 up at 44 1/2p;
the shares have risen from 15p
since Mr A. B. Millar and
associates acquired a 28.9 per
cent stake in the company on
March 1. Huntley and Palmer,

prices. Shell, nervously await-
ing today's preliminary results,
drifted off to close 8 cheaper
at 338p. British Petroleum
closed a couple of pence lower
at 274p. Laidlaw opened higher
at 290p but reacted to finish 2
off on the day at 278p. Berkeley
weakened 10 further to 235p
and Caeddea gave up 6 to 158p.



OILS
F.T. Actuarial Index
1981 1982

RECENT ISSUES
EQUITIES
Table with columns: Issue price, Annual dividend, Latest dividend, 1981/82 High/Low, Stock, Closing price, % change, etc.

FIXED INTEREST STOCKS
Table with columns: Issue price, Annual dividend, Latest dividend, 1981/82 High/Low, Stock, Closing price, % change, etc.

"RIGHTS" OFFERS
Table with columns: Issue price, Annual dividend, Latest dividend, 1981/82 High/Low, Stock, Closing price, % change, etc.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index Name, Mar 10, Mar 9, Mar 8, Mar 5, Mar 4, Mar 3, A year ago

undecided as to what direction
to take. GEC lost 11 to 814p,
while Philips Lamps gave up 10
to 485p, the latter on further
consideration of the results.

De Beers down again
The De Beers/Anglo American
Corporation group remained
under a cloud as renewed and
heavy selling followed Press
comment on the sharp contrac-
tion in earnings and the dividend
cut by De Beers.

ACTIVE STOCKS
Table with columns: Stock, Closing price, Day's change, Stock price, Day's change, etc.

FT SURVEYS ARE READ
FT SURVEYS ARE KEPT
FT SURVEYS SHOW RESULTS
BUY THE FT AND SELL
A programme of forthcoming surveys for 1982 is available on a monthly basis to existing and potential advertisers.

NEW HIGHS AND
LOWS FOR 1981/2
The following quotations in the Share
Information Service yesterday showed new
Highs and Lows for 1981-82.

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries
and the Faculty of Actuaries

RISES AND FALLS
YESTERDAY
Table with columns: Index Name, Up, Down, Same

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbot Unit Tr. Mgrs., and others, including their names and brief descriptions.

Table listing unit trusts under the heading 'Authorised Unit Trusts', including names like 'Abbot Unit Tr. Mgrs.', 'Abbot Unit Tr. Mgrs.', and 'Abbot Unit Tr. Mgrs.', with columns for details.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing numerous unit trusts such as 'Abbot Unit Tr. Mgrs.', 'Abbot Unit Tr. Mgrs.', and 'Abbot Unit Tr. Mgrs.', with columns for names, descriptions, and contact information.

Table listing various insurance and financial services, including 'Abbot Unit Tr. Mgrs.', 'Abbot Unit Tr. Mgrs.', and 'Abbot Unit Tr. Mgrs.', with columns for names and details.

NOTES: This section contains important information regarding the unit trusts, including details on how to obtain further information, contact numbers, and specific notes about the data presented.

Table listing various food and grocery items with columns for Stock, Price, and % Change.

HOTELS AND CATERERS

Table listing hotel and catering companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Large table listing various industrial companies with columns for Stock, Price, and % Change.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other consumer goods with columns for Stock, Price, and % Change.

ENGINEERING—Continued

Table listing engineering companies with columns for Stock, Price, and % Change.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies with columns for Stock, Price, and % Change.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and % Change.

BANKS & H.P.—Cont.

Table listing banks and hire purchase companies with columns for Stock, Price, and % Change.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies with columns for Stock, Price, and % Change.

LOANS—Continued

Table listing various loan products with columns for Stock, Price, and % Change.

LOANS

Table listing various loan products with columns for Stock, Price, and % Change.

Advertisement for AFA-MINERALIA, a fire protection and security company.

BRITISH FUNDS

Table listing British funds with columns for Stock, Price, and % Change.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail stocks with columns for Stock, Price, and % Change.

AMERICANS

Table listing American stocks with columns for Stock, Price, and % Change.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table listing international bank and overseas government sterling issues with columns for Stock, Price, and % Change.

CORPORATION LOANS

Table listing corporation loans with columns for Stock, Price, and % Change.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loans with columns for Stock, Price, and % Change.

LOANS Public Bond and Ind.

Table listing public bond and industrial loans with columns for Stock, Price, and % Change.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and % Change.

REDAUNDANCY

Table listing redundancy-related information with columns for Stock, Price, and % Change.

A FINANCIAL TIMES SURVEY

PERSONAL FINANCIAL PLANNING

17 APRIL 1982

The Financial Times is planning to publish a survey on Personal Financial Planning. The provisional date and editorial synopsis are set out below.

INTRODUCTION Persistently high real returns have forced investors to change their habits. Growing attention paid to short-term instruments and specialised funds, such as currency and commodity syndicates. Investor protection—a lack at the Department of Trade's new rules for licensed dealers and professor Gower's report.

Editorial coverage will also include:

- REDAUNDANCY
INTERNATIONAL INVESTMENT
BUYING A HOUSE
EXPATRIATES
PLANNING FOR A LIFETIME
INDEX-LINKED INVESTMENTS

Copy date: 2nd April 1982

For further information and advertising rates please contact: Guy Mainwaring-Burton

Financial Times, Brackenh House, 10 Cannon Street, London EC4P4BY Tel: 01-403 8000 Ext. 3606 Telex: 853033 FTINT G

The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, DuPont, and various other companies with their respective prices and market data.

LEISURE—Continued

Table of leisure and entertainment stocks including British Airways, British Telecom, and other related companies.

PROPERTY—Continued

Table of real estate and property-related stocks including various trusts and land development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and funds, including various equity and income trusts.

OIL AND GAS—Continued

Table of oil and gas industry stocks including major energy companies and independent producers.

SANYO INTERNATIONAL LTD. advertisement with contact information for London and other locations.

MINES—Continued

Table of mining stocks, categorized by Central Africa, Australia, and other regions.

MOTORS, AIRCRAFT TRADES

Table of motor vehicles and aircraft-related stocks.

SHIPPING

Table of shipping and maritime industry stocks.

SHOES AND LEATHER

Table of shoe and leather goods stocks.

SOUTH AFRICANS

Table of South African stocks.

TEXTILES

Table of textile industry stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks.

PAPER, PRINTING

Table of paper and printing industry stocks.

ADVERTISING

Table of advertising and media stocks.

PROPERTY

Table of property and real estate stocks.

INSURANCE

Table of insurance and financial services stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

FINANCE, LAND, ETC.

Table of finance, land, and other miscellaneous stocks.

TEAS

Table of tea industry stocks.

RUBBERS AND SISALS

Table of rubber and sisal stocks.

MINES

Table of mining stocks.

Far West Rand

Table of Far West Rand mining stocks.

O.F.S.

Table of O.F.S. (Overseas Financial Services) stocks.

OIL AND GAS

Table of oil and gas stocks.

NOTES

Notes section providing detailed information about stock prices, dividends, and market conditions.

REGIONAL MARKETS

Table of regional market data for various countries and regions.

OPTIONS

3-month Call Rates

Table of 3-month call rates and options data.

RIGGS U.S. Dollar C.D's a better buy! RIGGS LONDON BRANCH THE BRANCH NATIONAL BANK OF WASHINGTON DC

FINANCIAL TIMES

Thursday March 11 1982

Getatable NEWPORT For details of industrial development sites contact Steve Wehrle Dept. FT, The Civic Centre, Newport, Gwent, Tel: (0633) 65491

AUEW might aid independent candidate

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS of the Amalgamated Union of Engineering Workers are considering the unprecedented step of providing financial support for a Parliamentary candidate outside the ranks of the Labour Party.

favour of Mr Pat Wall, a supporter of the party's Militant tendency, Mr Ford will, however, have the chance to stand again, since the party's organisational sub-committee has recommended that the selection procedure be re-run.

party contribution to employing a full-time agent for the three Bradford constituencies. A similar sum is also paid by the shopworkers' union, which sponsors Mr Tom Trosney, Labour MP for Bradford South.

De Lorean suit filed by Bank of America

By John Griffiths

BANK OF AMERICA, a substantial supplier of credit to De Lorean Motor Company through its financing of car stocks, filed a suit in U.S. District Court yesterday alleging that De Lorean had defaulted on £10m in loans.

The suit alleges De Lorean refused to acknowledge it was in default and that the cars now belonged to the bank.

Bank of America had been maintaining a facility of up to £18m under which the company financed its stocks. The suit alleges £9m in principal and £200,000 interest is due on loans the bank called in when De Lorean's UK government-backed Belfast subsidiary went into receivership last month.

The bank acted less than 24 hours before the president of Budget Rent-a-car Corporation, Mr Maurice Belzberg, was due to meet executives of De Lorean Motor Company to conclude an agreement for Budget to purchase 2,000 De Lorean cars.

Mr Belzberg said last night the deal would involve buying 1,000 cars immediately and the rest over 12 months. He said the deal would be carried out with Bank of America as the intermediary and that the sum involved would cover "a substantial part" of the sum Bank of America is claiming.

Bank of America would not comment on the implications of the Budget negotiations last night. It said, however, that it would have been "tantamount to negligence" if it had not undertaken action to establish its title to the cars.

The bank's suit also alleges that 15 De Lorean cars were taken unlawfully to the private New Jersey estate of Mr John De Lorean, chairman of the U.S. sales company.

Sir Kenneth Cork, one of the joint receivers of the Belfast company was unavailable for comment last night on this latest apparent setback to the efforts to keep the company in operation.

At the end of last month Sir Kenneth said he thought there was a 90 per cent chance of finding £40m in fresh investment to keep De Lorean afloat.

The prospects for De Lorean's survival have been dimmed by two further events in the past week: a petition for the winding up of the Belfast operation by a minor creditor which is expected to be heard later this month, and the appointment of a receiver to CP Trim, the Belfast company which is the sole supplier of De Lorean seating and interior trim.

Mitterrand orders tight rein on spending to cut deficit

BY DAVID WHITE IN PARIS

FRENCH Government departments will be forced to revise some of their programmes after an order from President Francois Mitterrand yesterday demanding strict discipline in public spending.

The firm stance taken by the President at yesterday's Cabinet meeting followed a warning from M Laurent Fabius, Minister in charge of the budget at the Finance Ministry, that the Government was spending too much.

This year's budget deficit is expected to exceed the target of FF 95.5bn (£8.7bn). Unofficial forecasts suggest that on current trends the shortfall could reach FF 200bn or more next year.

This deficit, which does not include the growing gaps in the social security and unemployment benefit systems, would put severe strain on France's financial capacities.

Mitterrand supported M Fabius and set a ceiling for

the deficit of about 3 per cent of gross domestic product. This entails keeping it to FF 125bn at the most next year. Some experts believe the deficit will come close to this level in the current year.

The Elysée Palace said M Mitterrand also told his ministers that creating new jobs was to be their sole spending priority in 1983 budget plans, implying that other parts of the government programme might have to be delayed.

He called for rigorous selectivity in allocating new expenditure and for a re-examination of items already in this year's budget.

M Fabius first warned the President about runaway spending in December.

The Government has left itself some leeway in this year's budget, aiming at a deficit of about 2.6 per cent, well within the 3 per cent limit.

Extra spending such as aids for farmers, adjustments to the

RIT agrees £255m deal with Great Northern

By Richard Lambert

GREAT Northern Investment Trust is merging with RIT, investment trust run by Mr Jacob Rothschild.

The move will create an investment group with total assets of about £255m.

In the latest of a series of changes the UK investment trust business, Great Northern announced yesterday that it would exchange its shares for RIT's on a formula based on net asset values on the day when the deal became unconditional.

The stock market value of the enlarged group would be more than £150m.

The new company will be called RIT and Northern. Mr Rothschild will be executive chairman. RIT changed its name from Rothschild Investment Trust in 1980, after a public split between Mr Rothschild and his cousin Mr Evelyn de Rothschild, chairman of N. M. Rothschild and Sons, the London merchant bank.

The deal could end the direct relationship between RIT and Mr Saul Steinberg, the controversial U.S. financier, whose Reliance Group owns a fifth of RIT's shares. Great Northern is offering to buy up to a quarter of RIT's shares for cash, at a price equal to 80 per cent of net asset value. Reliance is proposing to take this cash option.

The U.S. company will, however, keep a minority shareholding in RIT's subsidiaries, Target Life Assurance and Target Trust Managers.

Shares in Great Northern fell 6p to 136p yesterday. RIT shares rose 4p to 355p.

Creating a sizeable investment. Page 26

U.S. will build Rapier missiles

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Aerospace Dynamics Group has signed an agreement under which the Norden Systems Division of United Technologies will build the Rapier missile in the U.S.

Partnership agreements with the U.S. on development and production of missiles and aircraft are an essential prerequisite for orders for foreign products from the U.S. armed forces.

The Rapier, a low level, all-weather anti aircraft weapon, is already one of the most

successful British missiles. About 13,000, worth more than £1.15bn have been sold to 19 overseas customers.

United Technologies and British Aerospace will jointly seek an order, which would be worth up to £1bn from the U.S. Army for the Rapier, especially for use with the Rapid Deployment Force.

British Aerospace already has agreements with McDonnell Douglas on the development of the AV-8B Advanced Harrier fighter for the U.S. Marine

Corps and the Hawk trainer for the U.S. Navy. The Rapier agreement follows the sale of the missile to the U.S. Air Force for the defence of its bases in the UK.

The Rapier is being developed further to meet expected threats from enemy aircraft through to the end of the century and beyond.

Norden Systems, a subsidiary of United Technologies, produces a range of military electronic, space and propulsion systems for the U.S. and other Governments.

Continued from Page 1

Spending

in cash terms. The figure for Government lending to nationalised industries for 1982-83 is 70 per cent higher, at £1.1bn, than was planned last March.

Spending on industry, energy, trade and employment—mainly employment—will be £5,85bn, 34 per cent more than planned last March.

Other large increases allowed for 1982-83 since last March's forward planning include agriculture (7 per cent), housing (8 per cent), transport (16 per cent) and education (nearly 5 per cent).

Telecom to spend more

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A 50 PER CENT increase in the capital expenditure programme of British Telecom from just under £2bn to almost £3bn in the next three years, has been approved by the Government and is included in the expenditure plans published yesterday.

It is the largest increase for any nationalised industry, whose total UK capital requirements are estimated to go up from £8.5bn in the current year to £8.9bn by 1984-85.

These figures have been based on the Treasury's planning assumptions about inflation

and on the industry's own development plans.

The British Telecom figure for expenditure in the UK on fixed assets (excluding working capital), stands at £1.89bn in the current year. Provision is made for it to rise to £2.35bn next year (which is expected to include the private sector Telecom Bond of up to £150m). In 1983-84 it is budgeted for £2.72bn and in 1984-85, £2.96bn.

This will provide additional capital for British Telecom to modernise its public telecommunications network and introduce new services.

£8bn account surplus goes abroad

BY DAVID MARSH

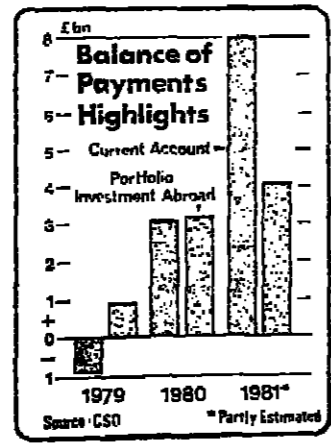
BRITAIN'S record £8bn current account surplus last year was channelled abroad in the form of a sharp increase in private investment overseas.

The Central Statistical Office reported yesterday that portfolio investment on foreign securities markets, mostly by pension funds and other institutions, rose 28 per cent last year to more than £4bn.

Direct investment abroad by companies other than those in the oil industry also climbed to £4bn, up 84 per cent from 1980, boosted by big UK acquisitions in the U.S. in the second half of the year.

The build-up of overseas assets by the private sector last year is in line with the Government's policy of "privatising" Britain's overseas investment holdings. The Government's own foreign currency reserves fell sharply last year, mainly because of repayments of official overseas debt.

The investment spurt was made possible by a surge in the current account surplus sharply above expectations. At the time of the 1981 Budget 12 months ago the surplus was forecast at



favourable assessment of last year's export trend, earlier obscured by a new documentation system. Exports seem to have profited more than thought from the fall in sterling after last summer. Companies may have also turned their attention more to foreign markets during the 1980-81 slump in domestic demand.

The statistical office said yesterday the volume of exports in the fourth quarter of 1981 was at a higher level than at any time since 1980, this was even after making allowance made for buoyant foreign sales of oil.

Visible trade figures for last year are still incomplete because of delays in collecting data for the summer. In the fourth quarter, the visible trade surplus was £625m. Although exports were buoyant, imports were also higher, up 21 per cent compared with the first quarter last year. This was because of modest industrial recovery.

Other highlights of last year's capital movements and invisible trade were:

The travel account swung

into a deficit of £245m during 1981 from a surplus of £223m in 1980.

Overseas travel spending rose 20 per cent, with the number of Britons travelling abroad rising 9 per cent and their average spending increasing 10 per cent. The number of foreign visitors coming to the UK fell.

Earnings from financial services rose 18 per cent to £1.8bn. Britain also achieved a surplus of £1.15bn in payments of interest, profits and dividends against a deficit of £112m in 1980. Earnings were increased by the fall in sterling and a big jump in banks' receipts from currency operations.

UK banks' lending in sterling overseas led to a capital outflow of nearly £3bn last year, up 20 per cent from 1980. Sterling lending by the banks has expanded rapidly since the ending of exchange controls 2 1/2 years ago.

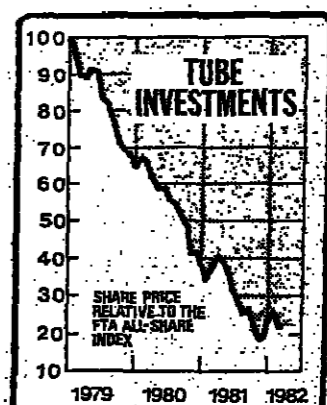
Portfolio investment, although still high, seemed to be stabilising by the fourth quarter, with outflows of £900m down slightly from the quarterly levels of above £1bn for the first six months.

THE LEX COLUMN

Musical chairs in gilt-edged

The financial markets had some sharp adjustments to make yesterday as a result of the Budget measures, most strikingly in the existing index-linked gilt-edged stocks. These move onto a sharply lower yield basis as net investors come into the reckoning—which yesterday brought a 10 point rise in prices.

Index fell 1.3 to 559.5



The Bank of England dropped its dealing rates in the bill market far enough both to satisfy the discount houses' aspirations and to suggest official approval for a half point base rate cut. But there was not a squeak out of the clearers, unless one of them moves this morning the building societies will have to take an interest rate decision all on their own.

Continuing money market shortages are keeping the seven-day rate high enough to threaten a bank that moves too far—or even too soon—with active interest rate arbitrage. It would still be surprising not to see a half point fall before long. But over the next few months inflation-proofed competition from the Government in the savings markets may leave the banks and building societies little room to reduce their deposit rates.

Tube Investments has emerged from the first loss-making year in its history with the knowledge that all its divisions are pointing in the right direction. After reducing its UK workforce by 30 per cent and charging £47m of reorganisation costs below the line over the past two years, so they should be.

Yet TI is experiencing no recovery in demand although the stock cycle seems to have reached its nadir. So the marked second half improvement is almost entirely due to the benefits of earlier surgery. For the full year, TI has reported a pre-tax loss of £23.1m, struck after £9.4m of property profits, compared with a profit of £26.7m in 1980.

Leaving aside the aluminium losses, which have been sharply reduced by the Invergard closure, the second half showed

a small profit after associates' and interest payments. The King Fifth Wheel acquisition in the U.S. has made a contribution after funding costs and was responsible for about half the £4m improvement in specialised engineering over the second six months. U.S. demand for drilling equipment has helped the return to profit of steel tube.

But, with the overwhelming majority of its assets tied up in the UK, TI cannot look to a shaky U.S. economy for too much support. Only the domestic appliance division is making a worthwhile return on capital and cycles remain in loss, despite the reorganisation and a more realistic level of dealer stocks.

TI has paid a much reduced final dividend, producing a yield of 8.9 per cent at last night's price of 126p. The balance sheet is fairly comfortable for this stage of the cycle, with net debt representing 46.7 per cent of shareholders funds, but any payment which accompanies £80m of attributable current cost losses must be some sort of gesture of confidence.

Woolworth The failure of Operation Crackdown has convinced Woolworth that it cannot compete head on with the likes of Marks and Spencer. So it is putting its biggest central stores up for sale and retreating out of the city high streets to concentrate on its smaller sites in the dozier secondary shopping centres. Pre-tax profits for the year are ingeniously stated to be down a mere £1m at £38.3m; without property disposal profits, the underlying decline is no less than 40 per cent.

Trading volume in the final quarter has fallen slightly in spite of the reduction in gross margins introduced with Crackdown. So, with stock write-downs still at a high level and a jump in the interest charge, this has fed straight through into a fall of a third in pre-tax profits in the period, excluding property. In yet another about-turn, the company is now struggling to raise gross margins again, so volume and profits will look even more unhappy in the current half. The big disposals programme will produce a substantial interest saving later on. But shareholders will need to call on deep reserves of faith to welcome redirection of assets into D.V.Y. especially as the latest acquisition, Dodge City, currently seems to be operating at a trading loss. The shares closed 1p down yesterday at 51p, producing a yield of 12 1/2 per cent.

Huntley & Palmer There may be a way of stopping Rowntree. Mackintosh's bid for Huntley & Palmer, but on the strength of Huntley's defence document it will take divine, or at least governmental, intervention to do the job. At £61m pre-tax, Huntley's 1981 profits are at the very bottom of a range of estimates that was being revised downwards throughout last year, and roughly £21m below the 1980 level, adjusting for the sale of the loss-making German subsidiary.

This figure at least lends support to the statement that it is not Huntley's policy "to concentrate on short-term profitability at the expense of a solid long-term trading base." In the company of Rowntree, the long-term investor par excellence, that is a breathtaking boast.

Otherwise the document is very light on financial information. There is no attempt at a forecast, which—given Huntley's forecasting record—is probably a blessing. An unchanged dividend is proposed, but Huntley does take me least out of Croda's recent best-selling book by raking up its predecessor's past: shareholders are reminded of Rowntree's little difficulty in the cocoa market before the Yom Kippur war.

At 103p the Huntley share stands just below the value of the bid. Rowntree's shareholders may still wonder whether their company is paying too much for Huntley—but after a decade of representation on Huntley's board, Rowntree should know too much to get carried away.

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